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THE FINANCIAL POST

Largest Circulation of Any Canadian Financial Paper

The Canadian Newspaper for Business Men and Investors

Vol. XXIX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, SEPTEMBER 28, 1935 10c a Copy; $5.00 a Year No. 39

The Nation's Business

Stevens's Technique To Abuse Success

Using Cheese Funds To Bonus Butter

Wheat Not Factor In This Election

The B.N.A. Act Not an Issue

Mr. Stevens and Leadership

WE RECENTLY paid tribute to the attempt of Mr. Bennett and Mr. King to keep their election speeches on a high plane. There is much vigorous political controversy in their addresses but neither has stooped to malicious personal attacks nor to the baser appeals.

The same cannot be said of Mr. Stevens, who has attempted to found a new political party on vilification and abuse of success in business wherever or however it has been achieved.

Mr. Stevens is counting on Youth to back him. But what an unfortunate example he is setting to the young men and women of Canada!

Perhaps he is seeking merely to divert attention from his own failures as a trustee of the savings of investors.

No doubt he wants people to forget that his unfair and inexcusable conduct of the Price Spreads enquiry led to his enforced retirement from the post.

He attacks finance; he attacks industry; he attacks business; he attacks other politicians.

* * *

DOES he wish to become the Huey Long of Canada? Huey's political philosophy was to look for the biggest and most successful enterprise in the neighborhood and then to vilify it, to sling mud at its founders and directors? His system worked for a while with the ignorant poor whites of Louisiana. Will it work in a country where standards of political probity and electoral intelligence are higher? We are certain it will not do so for long.

Mr. Stevens had better make the most of any temporary victories he enjoys. For he is rapidly talking himself out of the long term political picture in Canada.

* * *

Ring Around the Butter Rosy

ECONOMIC planning as indulged in by governments passes understanding.

Last year Parliament voted a million dollars to bonus farmers to take their milk to cheese factories instead of dairies or creameries. The purpose was to relieve the pressure of a "surplus" of butter on the market.

The scheme seems to be successful in increasing cheese production. Whether or not it relieved the butter situation is something no one can say for it is impossible to know to what degree milk production was encouraged, or how much the present butter surplus might have been had there been no bonus at all on milk for cheese.

Anyway, butter people think there is at present a surplus of 10,000,000 pounds of butter. The government is going to take part of the money appropriated to encourage cheese production and use it to bonus butter export by two cents a pound.

In brief the government says to those with butter on hand "Dump it overseas and we'll pay the losses."

* * *

IT WILL be recalled that when New Zealand bonused butter export similarly we put on a dumping duty against it. Already British dairy organizations are annoyed by our butter export bonus in the same way that we were annoyed by the New Zealand bonus.

If the scheme works out as expected butter prices will rise in Canada. Then the housewives will be heard from and the government will have to answer to them; it may even appoint a Royal Commission on the High Cost of Living.

A less articulate victim is the taxpayer. His money will be spent. He may even start to complain. Then the government may have to try Mr. Aberhart's unique plan of giving the people the money to pay their taxes.

* * *

MOREOVER, under the stimulus of high butter prices, production may be still further increased in this country, perhaps to a point where the foreign dumping of the surplus may become absolutely impossible. In such a case, instead of exercising a stabilizing influence on prices the present government plan would simply amount to a prelude for a sudden slump.

Farmers cannot jump in and out of dairy production in a matter of weeks. It takes years to build up a herd of milch cows. A crash in

(Continued on page 2, col. 3)

C. G. E. BOARD DECIDES TO BUY IN PREFERRED

Employee Holdings to be Exchanged for 5 Per Cent Stock

CAN BUY MORE

Company's Holdings of Dominion Government Bonds at End of 1934 Exceed $10 Millions Needed

Canadian General Electric Co. finally decided on September 24 to ask consent of shareholders to redeem $8.6 millions of outstanding 7 per cent preferred stock of $50 par value at 115 per cent plus accrued dividends of seven-eighths of one per cent. The sum of $9.9 millions needed for this purpose has been in the company's hands for several years, the consolidated balance sheet for 1934 showing Government bonds alone at more than $11.4 millions, as well as cash of $2 millions.

The board decided as well to ask shareholders to authorize a by-law permitting the issue of $2.5 millions of 5 per cent cumulative special employees shares of $50 par value, 50,000 shares in all. Once employees have taken up this amount, the net sum spent by the company on these two transactions will be $7.4 millions. As far as the general public is concerned, the preferred shares disappear from investment portfolios. The 3,000 employees, or a large proportion of them, will become the preferred shareholders but will have no vote unless dividends are unpaid for two years. Employees already hold a considerable amount of the 7 per cent preferred. This plan will enable them to maintain their interest in the company and to extend it over a term of years or months.

Has Money Ready

The current assets as of December 31, 1934, would drop from $16 millions to $6.1 millions as a result of redemption of present preferred and become $8.6 millions as soon as employees have taken up all the new stock. Working capital is still large as current liabilities were then only $1.1 millions. It will probably have nearly $4 millions of highly liquid assets after the preferred is redeemed. In taking up the valuable investment security offered them and changing over what they already hold, employees would add eventually nearly $2.5 millions. New commitments, of course, might be paid for over years and details of that plan are not yet made available.

Action Expected

The Financial Post has pointed out from time to time that some such action as this was expected by investors. The stock has repeatedly been carried higher than the redemption price by the general public because it was known that the board valued the existence of a Canadian interest in the company. Even a week ago a high official of the company answered a question by The Financial Post by saying, "No action has been taken." Eventually, like the board of Goodyear Tire & Rubber Co. earlier in the year, the directors decided that their duties as directors required them to get rid of a 7 per cent stock as that is now much out of line with market rates for money safely employed.

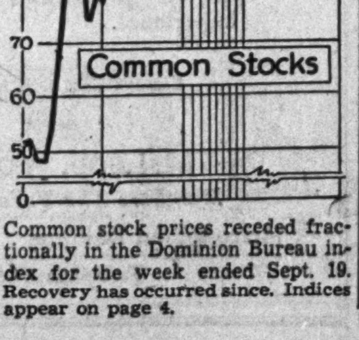
The employees shares now to be issued are at a saving of 2 per cent annually in interest. The net result is that there will be a Canadian employees interest in the company to less than one third of the amount of the Canadian investors' interest now existing. But the present employee interest is expected to grow.

Higher Activity In Construction

Despite seasonal influences, building continued its climb in August. Both permits and contracts awarded were up substantially from a year ago; compared with last month permits show a very small increase, but contracts rose by 29 per cent.

		— Change — From Prev. Period	From Prev. Year
Monthly:	**August**	%	%
Construction cont.	$ 23,837,400	+29	+76
Building permits ..	4,293,058	+1	+14
Life ins. sales	26,854,000	—16	+1
Weekly:			
Car loadings .. No.	54,341	+22	+1
Cattle sales .... No.	28,658	+19	+87
Hog sales ..... No.	12,660	+6	—22

Additional figures will be found on pages 2 and 7.



Common stock prices receded fractionally in the Dominion Bureau index for the week ended Sept. 19. Recovery has occurred since. Indices appear on page 4.

Poor Crops Affect Massey-Harris Sales

On the long view Massey-Harris prospects have been improved by the higher price for wheat and the prospect that world reserves will be cut down considerably. Rust damage in Canada and drought in the Argentine, however, will make the results for the current year disappointing, it is understood. A low crop year always has the effect of reducing demand for machinery and of making collections slower.

Even in bad crop regions of 1935 Massey-Harris officials report a more cheerful feeling among farmers as a result of better wheat prices. They think it bodes better for their efforts in 1936.

Up to June 30 sales of the company were 22 per cent above the same period of 1934. At that time crop prospects were favorable and a good year was expected. Those expectations have fallen in direct ratio with the prospect for wheat. The company, like the farmers, is now looking forward to 1936.

BATTLE JOINS POWER PACTS BEFORE 1936

May Await Issue Federal and Quebec Elections and Then Act

NO DISALLOWANCE

Before the end of 1935 the Hydro-Electric Power Commission of Ontario will have refused to take excess power beyond what it is now paying for from practically every Quebec company now supplying it. By that time also the Ontario government will have had proclamation made of the Act declaring the electric power contracts themselves illegal, null and void. The government and the Commission will then call for new contracts for much smaller deliveries than are now being received and for rates materially less than the present. This is the programme, The Financial Post understands after consulting various people in a position to gauge government and commission plans.

Elections First

Delay in proclamation was first excused on the ground that Premiers Hepburn and Taschereau were to have a conference. But it becomes more and more apparent that such a conference cannot be held unless there is some chance of a compromise acceptable to both coming out of the meeting. It is believed that the ideas of both have been privately communicated back and forth between Toronto and Quebec City. Announcement of the meeting of the two Premiers to consider the matter would really be a sign that it had already been considered and some tentative working arrangement come to. They are very far apart. In party councils it is understood there has been a lot of vehement advice that the matter should be left largely in abeyance until after the Federal election and possibly until after the Quebec elec-

(Continued on page 2 col. 6)

SEE NO CHANGE IN BANK STOCK DIVIDEND RATE

Market Disturbed by Talk of Lower Earnings This Year

PRE-ELECTION TREND

Unfavorable Factors Appear Overstressed, Causing Uneasiness to Small Shareholders

From Our Own Correspondent

MONTREAL.—A further cut in the dividend rate paid on the capital stock of the Canadian chartered banks has not been considered or is it contemplated, according to a survey of the leading institutions.

For some time the stock market has been forecasting a change in the dividend policy, and the assumption has become fairly widespread that the banks are about to effect a further reduction in payments. At the same time, however, reported decline in earnings has contributed to the falling off in values.

The stock market is right the greater part of the time in foreseeing unfavorable developments. In the present instance it is believed that the market reflects not so much the possibility of a dividend cut, as the current opinion regarding the unofficial reports of smaller earnings and the uneasiness created by election talk.

Pre-election Talk Hurts

Aspirants to political office, especially those advocating a "new deal," have been condemning the existing financial system and have made the chartered banks a target for numerous attacks. There has been talk of the Bank of Canada being taken over by the Dominion Government, nationalization of the banking systems etc., all of which — even though of a pre-election character —has been unsettling to many smaller bank shareholders. While there is no evidence of any out-of-the-ordinary selling of bank stocks, values have tended to decline with the lack of the usual buying support given to this class of stock.

Values Are Off

During the current year all of the bank stocks have recorded a decline in value from their "highs." In several instances the decline has amounted to as much as 25 per cent. Taking the Big Six as a group, the losses have from the current year's high ranged from 33½ to 52, as shown in the following table:

Bank:	High 1935	Current Price	Loss
Can. Nationale	132	126	6
Commerce	169½	133	36½
Dominion	201½	153	48½
Imperial	208¼	167½	40¾
Montreal	204	160	44
Nova Scotia	305	253	52
Royal	173½	140	33½
Toronto	235	194	41

Earning power of the chartered banks has fallen off in the last four years. This is to be expected in view of the smaller volume of commercial loans, lower interest rates and the general slowing up of business. This decline has already been reflected in a substantial lowering of dividends.

The reports of further decline in earnings are largely based on the

(Continued on page 2, col. 3)

—Drawn for The Financial Post by R. Kaell.

THEY UPSET THE ELECTION FORECAST.

Controlled Butter Price Object of New Scheme

Facing 10 Million Pounds Surplus and Weaker Domestic Prices Ottawa Offers to Bonus Exports — Few Takers

From Our Own Correspondent

OTTAWA.—The first major surprise of the election campaign was sprung by the Bennett government last Thursday when Hon. Robert Weir, minister of agriculture, announced the creation of a Butter Marketing board. The purpose of this board, it is learned officially, is to export ten million pounds of butter under government bonus between now and the close of navigation at Montreal. In this way rising prices in the domestic market, it is believed, will be assured, not only for the time being, but throughout the winter season. Moreover, the large production period of 1936 will begin under exceedingly favorable conditions.

More Swiftly

The decision to apply the Natural Products Marketing Act to the butter industry was followed up so swiftly that the local board was called together and was doing business before the order-in-council was signed.

Several important factors have arisen in attempting this unprecedented policy and the degree to which it will succeed is by no means clear.

The personnel of the board had to be chosen so hurriedly that outside individuals could not be called in. The board is composed of J. F. Singleton, dairy commissioner, chairman; L. D. Wilgress, head of the commercial intelligence service, and A. C. Fraser, secretary of the National Dairy Council.

Ministry Anxious

The butter situation, it is stated, has been causing anxiety to the ministry for some time. One year ago, Hon. Robert Weir believed a serious surplus existed and then desired to develop a bonused export policy. The agricultural division of the Bureau of Statistics, however, disagreed with his diagnosis and nothing was done. Owing to the general feed shortage throughout the country, the Bureau of Statistics proved to be right.

Surplus Looms

This fall it is contended by the government that a real surplus exists. Butter stocks are reported 1,000,000 lb. higher than last year and 11,000,000 lb. higher than the average in the last four years. Consumption, it is true, is increasing slowly but feed stocks are such that a substantially larger butter output this winter seems certain.

It is stated by officials of the department of agriculture that domestic and export prices are so near parity that exports could probably take place without incurring loss. But it is conceded that most of those who hold butter are looking for higher prices later on and, therefore, a special inducement is believed essential if exports are to be made. Originally this inducement, or government bonus, was placed at 2 cents per pound. But the negotiations so far have been carried on at 1½ cents per lb., indicating a desire on the part of the board to cut the cost to the minimum.

Bonus Source

The money to pay the bonus will be taken from the million dollars voted by parliament to subsidize cheese production. The government readily concedes the obvious con-

(Continued on page 2, col. 2)

Reasonable Rise In Bud Earnings

Immediate declaration of a dividend on common shares of Canada Bud Breweries is unlikely, The Financial Post is informed. There is a likelihood of a dividend being declared before the end of this year, however.

The company's earnings this year to the end of August have shown "a reasonable increase" over those in 1934, an official states to The Post. The company is working to place itself in a good liquid position by reducing bank loans. Large inventories were carried this year which necessitated borrowing. By the end of the year, profits and liquid position are expected to warrant some payment to shareholders.

NEW FORDS READY SOON AFTER OCT. 1

Will Appear Simultaneously in Canada and the United States

DOUBLES FOUNDRY

Ford Motor Co. of Canada will show its new car through Canada early in October. One New York newspaper says that the Ford Company in the United States will introduce the new car to the public on October 1. That is not certain as yet but showing will be simultaneous in the United States and Canada.

The selection of October for showing the new cars in Canada is a forced one but may prove a good idea. President Roosevelt wanted the motor manufacturers to bring out the new cars within 60 days of October 1 as a move to help employment. They agreed and though the legal position of all codes written with industries has since been assailed the motor car manufacturers are trying to abide by the arrangement.

Ford Co. of Canada has had an exceptionally good year to date. Its sales have been high although profits have not kept pace, accordingly, they have apparently fully justified the large amounts being spent by the company to expand facilities.

Builds Huge Steam Plant

The company apparently expects still further expansion. Less than 11 months after starting to build an electric furnace foundry at its Windsor plant, it awarded on September 21 the first of a series of contracts doubling the size of the foundry. The first unit cost half a million dollars and the new one will cost about as much. It means that within a year the company will have spent $4.5 millions on a modernization and expansion programme.

The new addition will measure 225 by 120 feet. Another automatic electric furnace will be installed for making alloy steel for casting. There is a 9-foot furnace now in operation. The new one will be 7 feet 11 inches in diameter. A $2-million modernization programme is now under way in the power house. When completed, it will be the largest high-pressure steam industrial plant in Canada. It will supply electricity to the electric furnaces. The company's engineers are also working out details for producing alloy iron and for molding, conveyor, heat treating and other equipment needed in a complete foundry. The complete fire-proof foundry will have a floor space of 54,000 square feet. It will be in partial production early in 1936.

Cast alloy steel crankshafts needed by the company have been the sole output to date. With the new arrangements there will also be casting of brake drums and other parts of alloy steel or alloy iron.

REVISE BIDS GREAT LAKES FOR BETTER

More Detailed "Antes" For Bondholders on Oct. 4

EXPECT QUORUM

Receipt of Proxies Encourages Bond Committee to Hope For Final Sale on Oct. 4

Offers to purchase assets of Great Lakes Paper Co. may be modified materially for the adjourned meeting of bondholders Oct. 4, it is understood.

Any changes will consist of better terms being offered to bondholders.

The bondholders' committee hopes that final sale of the property, lifting Great Lakes Paper out of receivership, will be voted Oct. 4. Proxies are still being sent to the committee. There is expected to be no difficulty in obtaining representation of the necessary $5,000,000 of bonds at the adjourned meeting.

Sweezey Offer

Offer of R. O. Sweezey & Co. is expected to be changed to give some indication of what newsprint tonnage the bidder can offer. This bid did not mention a tonnage offer at all.

Rt. Hon. Arthur Meighen, chairman of the bondholders' committee, told the meeting on Sept. 20 that the committee would not favor any offer which did not include tonnage contracts. This led R. O. Sweezey to enquire: "Would our reintroducing of that part of the offer be considered at the next meeting?"

It is conceded that the Sweezey offer stands little chance of acceptance unless some definite promise of tonnage for the Great Lakes mill is forthcoming. Hence, the offer is expected to be improved in this way.

Possible Revisions

Chief criticism of the Canadian International Paper tender was that it didn't offer sufficient tonnage to make redemption of its proposed series B bonds certain. This may lead to revision of the C. I. P. tonnage offer. Also, some detail of probable provision for depreciation under this offer is expected to be furnished.

Then there is the offer of The Dominion Bank and Continental Illinois Bank & Trust Co. The criticism of this offer was that it did not provide for depreciation deduction before rentals would be payable to Great Lakes Paper Co. bondholders. Also, the maximum return, before depreciation, would be 4½ per cent to the bondholders. Hence, some revision of this offer with regard to depreciation may develop.

Favored Offer

The Gaefell-Aldrich offer, the best of the four in the opinion of the bondholders' committee, was subject to two criticisms: (1) It did not provide for any increase in the present $1,000,000 of working capital; (2) It would give the Great Lakes company an advantage of tonnage to the detriment of other newsprint firms and the newsprint industry.

The first criticism may bring about a revision of the offer with respect to working capital. The second criticism is not considered seriously by the bondholders' committee. Mr. Meighen stated plainly to bondholders that the committee was determined to get tonnage for the Great Lakes mill without regard for the competing producers.

Negotiations Opened

Already negotiations have been in progress to revise some of the offers. All the offers may not be changed before the next meeting but additional information will be forthcoming for all of them.

Detailed report of the meeting on Sept. 20, summaries of offers and corporate analysis of Great Lakes Paper Co. appear on page 20.

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CAN. PACKERS REFINANCING NOW ON TAPIS

Expect Preferred to be Refinanced by Bond Issue

WOULD AID COMMON

Savings Could Exceed 80 Cents Annually Per Common Share — Prices Aid Earnings

Canada Packers Ltd. will soon redeem its outstanding preferred shares at $110 each, according to reliable informants.

Neither the company nor Dominion Securities Corp., who might underwrite new financing, would confirm reports that 3½ and 4 per cent bonds will be issued to finance the preferred stock redemption. It is understood, however, that there will be an issue of $6 millions in short and long term bonds.

Official's Statement

One company official stated to The Post:

"Nothing definite has been done about it. We have not entered into any transaction for refinancing yet. The subject of redemption of the preferred shares has been discussed many times, but no action has been taken. I have no doubt, however, that some day it will be done. If and when a transaction is made, there will be an official announcement."

Five and ten-year bonds are expected to be issued to refinance the preferred stock. The short term will give a lower interest rate than would longer-term bonds. This magnifies the saving in fixed charges which now amount to seven per cent on $5,890,500 of preferred stock.

After deducting $143,000 held for redemption, the amount of preferred stock outstanding last March 28 amounted to $5,747,500. Annual dividend requirements on this net amount are $402,325.

To redeem the stock at $110 a share, an outlay of $6,322,250 would be required. Flotation of a bond issue of $6 millions on a four per cent basis would reduce fixed charges to $240,000 annually.

Advantage to Common

By financing redemption with a bond issue, the company could save over $160,000 annually. This is equivalent to over 80 cents a share on the 200,000 shares of common stock. It was on the basis of such a possibility that the common shares advanced sharply this week and the preferred stock went to 110.

Redemption of $4,592,900 six per cent bonds of Harris Abattoir Co. and William Davies Co., subsidiaries, in 1934 and early in 1935 was chiefly responsible for a reduction of Canada Packers' working capital in 1934-35. It stood at $6 millions last March 28, compared with $7.7 millions in 1934.

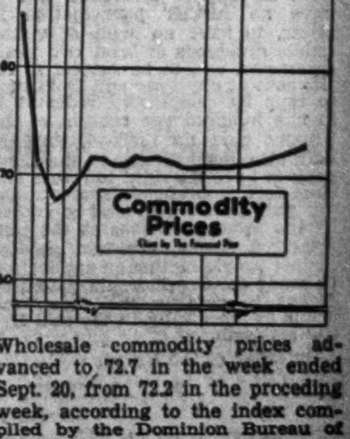
Apart entirely from the benefits to the common shares which would ensue from a saving in fixed charges, there has been a profitable trend in prices for products turned out by Canada Packers this year. Lard, bacon and other food products have been generally firm. The effect, of course, is to benefit Canada Packers by expanding earnings on goods in process. At the same time, the farmer supplying Canada Packers has had the benefit of firm prices for his products.

As a consequence of price trends in the first six months of Canada Packers' fiscal year, the company's earnings are believed to have benefitted. It is noteworthy, of course, that a reversal of this price trend would have the opposite effect. For this reason, the company's precise results cannot be forecast before the end of the fiscal year which ends in March, 1936.

Approve National Grocers Redemption of 6% Bonds

Following unanimous approval of the scheme by shareholders, National Grocers has published a notice calling its six per cent bonds of 1948 for redemption at 105 on Nov. 1, 1935. Holders may present bonds between Oct. 2 and Oct. 26 and receive the full redemption premium with interest to the date of surrender.

Shareholders approved the redemption unanimously. The company has already disposed of an issue of four per cent bonds to refinance the redemption. Since officers are large shareholders, it was conceded that approval would be given.



Wholesale commodity prices advanced to 72.7 in the week ended Sept. 20, from 72.2 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

"The Well Dressed Man Wears a Hat"

Head Toward
A Smart Autumn!

—in an EATONIA Hat! Select yours from the season's talked-about new styles, including Hombergs and Tyrolean effects. Season's popular shades including rich mixtures. Foremost Canadian makers style EATONIA Hats exclusively for the T. Eaton Company. Fine fur felt. 6⅝ to 7½ sizes.

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T. EATON C° LIMITED

Company Earnings

Price Bros. & Co.

Operating profit of Price Bros. & Co. for the year ended March 31, 1935, was so much lower than in the preceding year that there was a loss after provision for bond interest as compared with a profit in the preceding year. The company produced 210,000 tons as against 160,000 tons in the preceding year but the price level did not improve.

Bank loans have increased from $2.2 millions on March 31, 1933, to $3 millions at the present time. This is due primarily to the fact that cost of operations and of inventories has increased substantially and accounts receivable are higher because of increased production.

Hon. Gordon W. Scott, trustee in bankruptcy, states that the company's prime need is an increase in the more desirable and relatively profitable American business. A considerable part of the foreign business has been and is difficult, highly competitive and unprofitable. He asserts that under normal and favorable conditions the company's two newsprint mills at Kenogami and Riverbend are among the lowest manufacturing cost newsprint paper units on the Continent.

Income Account

	Year Ended Mar. 31 1935 $	Year Ended Mar. 31 1934 $
*Operating profit	681,952	1,007,547
Divs. rec.	51,406	8,888
Misc. rev.	5,129	2,176
	738,487	1,018,547
Bank loan int.	137,267	163,190
Misc. interest	2,277	6,326
Bad debt prov.	43,393	....
	555,549	849,031
Bond int. prov.	663,969	663,969
**Profit	†108,146	185,335

*Before providing for interest on bonds, other interest, possible bad debts, depreciation, depletion and bankruptcy expenses, but after providing for shutdown expenses of all properties during non-operating periods.
† Loss.
**Before providing for depreciation and depletion and expenses connected with and—or incidental to the company's bankruptcy.

Brewers & Distillers

Brewers & Distillers of Vancouver report net profit of $129,525 in consolidated statement for the first half of 1935 after writing off $125,164 for depreciation and income taxes. This compares with $169,517 for all of 1934 and $14,582 for the first half of 1934.

The company paid half a million dollars to the United States treasury in settlement of the latter's claim for customs dues. This left cash of $99,405 but all loans and bank overdrafts have been repaid.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

SPECIAL GENERAL MEETING

Take notice that a Special General Meeting of the shareholders of Canadian General Electric Company, Limited, will be held at the Head Office of the Company, corner of King and Simcoe Streets, Toronto, Canada, on Wednesday, the 9th day of October, 1935, at twelve o'clock noon, for the purpose of considering and, if approved, sanctioning:—

(a) A By-law enacted by the Board of Directors on the 24th day of September, 1935, and providing for the redemption, retirement and cancellation on the 15th day of November, 1935, of the entire outstanding issue of the preference stock of the Company and for the payment on that date to each of the holders of any of the shares of the same of a sum equal to one hundred and fifteen per centum of the par value of his shares, together with a sum equal to a dividend of seven-eighths of one per centum on his shares, the said By-law further providing that an application be made for Supplementary Letters Patent to confirm the provisions aforesaid and to revoke the power of the Company to create and issue further preference shares ranking pari passu with and governed by the same provisions as the said preference shares, the whole as more fully in the said By-law set forth;

(b) A By-law enacted by the Board of Directors on the 24th day of September, 1935, and providing for the increase of the capital stock of the Company by the sum of two million five hundred thousand dollars, said increase to be divided into fifty thousand shares of the par value of fifty dollars each, said shares to be designated Special Employees' Preferred Shares and to carry a fixed cumulative preferential dividend of five per centum per annum upon the amount paid up thereon, and in the event of a winding up or dissolution of the Company to be preferred as to assets to the extent of the amount paid up thereon, together with all unpaid dividends, but to have no further participation in assets, to have no right of voting unless dividends at least two years in arrears, and to be subject to retirement at any time and from time to time by compulsory redemption at one hundred per centum of the amount paid up thereon, together with all unpaid dividends, the Company to have the right to create and issue further preferred shares ranking pari passu with and governed by the same provisions as the said preferred shares, the said By-law further providing that an application be made for Supplementary Letters Patent to confirm the same, the whole as more fully in the said By-law set forth.

By order of the Board,

W. H. NESBITT,
Secretary.

Toronto, September 25, 1935.

CONTROLLED BUTTER PRICE OBJECT OF NEW SCHEME

(Continued from page 1)

tradiction in using this money for a butter bonus, but the welfare of the dairy industry as a whole is considered sufficient justification for the change.

Parliament voted the money to bonus farmers selling milk to cheese factories rather than to dairies. The plan was to make cheese a more attractive outlet for milk than is butter. The bonus has worked out at 1½ cents per lb. of cheese, and is reported to have been unexpectedly successful. Cheese production is higher, running to about 80 million pounds. But the cost of the cheese bonus so far has not used up the million dollar vote and the government has plenty left to start a butter export policy. If 10 million pounds of butter can be lifted at from 1½ to 2 cents per lb., the total cost will not exceed $200,000.

See Difficulties

Difficulties and dangers, however, have to be faced. The Butter Board has no power to compel exports; it can only encourage them. So far the board has discussed the situation with exporters and has authorized them to proceed with export trade on the basis of 1½ cent bonus. Half a dozen firms have received this authorization, the more important being P. Burns Co., Swifts, and Canada Packers. Exporters must communicate immediately with the board when they are making export commitments, giving full details of prices and costs. Each shipment will be approved on its merits.

Who Will Hold Bag?

Lacking power to compel exports, difficulties are being encountered in persuading exporters to book business. The effect of a large export movement will be to enhance domestic prices. Those now holding butter stocks apparently approve the policy but desire to hold their particular stocks for the higher prices. Whoever exports, loses money—that appears to be the general reaction of the trade. Butter owners are all in favor of someone else doing the exporting.

Britain Hostile

Another difficulty is that British dairy organizations regard the bonused movement of Canadian butter into their market with resentment. It is pointed out, however, that 10 million pounds is but three days supply for the United Kingdom and this quantity should not break British prices.

The Nation's Business

(Continued from page 1)

prices following a period of artificial stimulation therefore would be more than usually serious.

* * *

Wheat Is Out Of Election Politics

ALTHOUGH wheat has figured in the campaign speeches of the political leaders, a survey by The Financial Post shows that it is playing a very small part in the political thinking of farmers, and in discussions among farmers.

Careful observers think there is little political ammunition in wheat for any candidate. Had there been a large wheat crop this year and had low prices prevailed, there might have been room for heavy opposition attacks on the government for its part in accumulating and maintaining the carryover. But with prices advancing and the prospect that the carry-over may be disposed of this year, no one appears to be worrying very much about it at the moment. True, some candidates have been suggesting to farmers that if the pile of government wheat were not so large they would now be getting about $1.25 per bushel for their wheat. But farmers are more inclined to be glad that they have risen so far than to place blame because they have not risen farther.

* * *

ON THE government side, if wheat prices had remained lower there was a chance to demand the farmer's gratitude because the government last year claimed to have stood between him and low prices. But as things are now, the farmer, to quote one politician, "is not saying 'thank you' to anyone for the price of wheat." He attributes the rise that has come about, not to any political effort on his behalf, but to the disappointing outcome of his own crop and that of his neighbor in the Northern United States this year.

And, although both Mr. Bennett and Mr. King have been claiming credit for the constitution of the Canadian Wheat Board in its present form, it would not appear that there would be any great political advantage even if the credit could be attributed solely to one side in Parliament. Whatever political angle there might have been to the Wheat Board faded into insignificance when farmers ceased to ask what Parliament undertook to provide for them, protection against disastrously low prices that, before the outcome of this year's world crops was known, were feared again this year.

* * *

SOME government supporters were hoping that Premier Bennett might see fit to impose the compulsory clauses of the Wheat Board Act, clauses which would have closed the Winnipeg market and compelled every farmer to sell his wheat to the Board, and some references in his Regina speech were taken as indicating that such a plan was in contemplation. Under some circumstances that might have been a move with political advantages, for it is always considered effective politics to attack the grain trade when prices are going down. But political observers feel that any move which would close the market at present would be charged with dynamite, when farmers would be deprived of a chance to get more money for their wheat than they could get from the government board.

A discussion on wheat just does not provide at present any party with material for changing the prospective vote of a farmer, and this has proven a grave disappointment to politicians who had armed themselves with facts and half-truths on the subject.

* * *

The B.N.A. Act And The Election

CONTRARY to expectations, there would appear to be no constitutional issue in this election at all. Each of the parties seems determined that Canada's constitution, the British North America Act, should be revised if and when it stands in the way of easy "reform."

Mr. Bennett is prepared to amend the B. N. A. Act in order to put into effect greater measures of "reform for the welfare of the country."

Mr. King has reiterated his belief in the necessity for the amendment of the B. N. A. Act but wants the country to have the power to amend its own constitution.

Mr. Woodsworth thinks that amendment is necessary to give the Dominion adequate power to deal effectively with problems essentially national in scope.

Mr. Stevens, who has designed a political platform that is the supreme example of attempting to be all things to all men, wants the federal parliament to make use of its powers and rights in connection with the B. N. A. Act before asking the provinces to relinquish any of theirs.

But then many of the things Mr. Stevens wants the Dominion to do are quite outside the powers of the Dominion, so that apparently he proposes that the B.N.A. Act should be amended to give the Dominion more power without giving the provinces any less power.

* * *

THE FINANCIAL POST finds it hard to see how rather extensive amendments to the British North America Act are to be avoided. But it feels that the need for strengthening the central administration rests more than the desire for "reform." Equally important is the need to reallot responsibility for expenditures and powers of taxation in order to avoid the hopelessly expensive duplication of governmental service in Canada with its consequent waste and its braking of our productive machinery.

It is no doubt just as well that the question should be kept out of election campaigns. There it would become confused and would get away from sober, statesman-like analyses by competent authorities. One such was the statement prepared by Dr. O. D. Skelton, Under Secretary of State for External Affairs, for a parliamentary committee last spring.

* * *

WHAT we do in the matter may be influenced to some extent by what happens in the United States. President Roosevelt is known to be pondering the desirability of going to the country on the question of the revision of the constitution so as to concentrate more power in the federal government and particularly in the hands of the executive. But those who uphold the constitution as a sacred document are already marshalling their forces. Republican newspapers, such as the New York Herald-Tribune, are filled with speeches, letters, editorials, and special articles from those who are prepared to defend the constitution to their last drop of ink.

Rapidly there is developing in the United States a bitter antagonism between those who do not want humanity crucified upon a scrap of Jeffersonian manuscript and those who would not whittle away a single word from the Magna Charta of American liberty.

If we can avoid in Canada this battle royal of the catch phrases, of the headline variety of civics and political science, let us by all means do it.

McColl Frontenac Rights To Pay Cost Concessions

Shareholders Offered 110,000 Shares at $12 Each — Proceeds Care for West Indies Oil Lands and Plant Extensions

From Our Own Correspondent

MONTREAL.—McColl Frontenac Oil Co. is offering shareholders the right to subscribe to 110,000 additional common shares, on the basis of one new share at $12 for each five shares held. This stock offering will provide the company with $1,320,000 of additional capital, which will be used to finance the acquisition of control of oil leases in Trinidad, and to cover the outlay in connection with the extension of the Montreal east refinery, as well as the construction of additional storage plants and service stations.

In a letter to the shareholders, John Irwin, president, states that the company has made an arrangement whereby it will control certain oil leases on properties in Trinidad, B.W.I. These oil leases comprise the Brighton estate, and contain in one block a total of 2,662 acres. It is anticipated that a substantial proportion of the company's crude oil requirements can be secured from this source.

Need More Capital

In further explanation of the need of additional capital at this time, the president said:

"The substantial expansion of your company which has taken place during the past three years has been financed almost entirely out of earnings and, despite the world-wide depression and increasing taxation, the earnings of the company have been well maintained. In order, however, to provide for the financing and development of the afore-mentioned properties for the production of crude oil, and also for the reimbursement of capital expenditures made recently, including the modernizing and extending of the refining facilities at Montreal East, and the construction of additional storage plants and service stations throughout the Dominion of Canada, and for the general purposes of the company, your company now requires additional capital."

The share warrants will be offered to shareholders of record on October 3, 1935, and expire on October 30.

In respect to current earnings of the McColl-Frontenac, John Irwin says that for the first six months of the current fiscal year, net profits were $31,390 in excess of the net profits for the similar period of 1934.

War Threats Fail To Alter Cruise Plans

From Our Own Correspondent

MONTREAL. — Threats of open conflict between Italy and Ethiopia have given rise to the rumor that the Canadian Pacific Steamships would abandon the proposed Africa-South American cruise, while a change would be made in the itinerary of the round-the-world cruise scheduled to begin in the early part of January. Officials of the company deny that there is any change in mind and unless some unforeseen circumstance arises, the cruise ships will leave on schedule.

Preparations for these winter cruises involve the sponsors in great expense, and abandonment of plans would mean a heavy loss. Extensive advertising programmes, arrangements at ports of call, expenses of soliciting business, etc., reach an impressive figure so that plans for a cruise are not readily abandoned by rumors and threats of war.

SEE NO CHANGE IN BANK STOCK DIVIDEND RATE

(Continued from page 1)

assumption that the banks are having difficulty in placing their funds; lower return on investments and the loss of business to the Bank of Canada, and, by no means the least, withdrawal of note issuing powers.

The talk of a superfluity of money is not seriously taken by bankers. Admittedly it is more difficult to place money today than it was in the last boom period, but the banks are finding a use for all their funds. The rate of return on investments and loans is low in many cases, but the money is kept employed.

Interest Rates at Bottom?

Interest rates are well below the level that has prevailed for several years. Treasury bills, short term government bonds and other high-grade securities yield relatively little these days. In order to maintain their liquid position the banks have had to take a large proportion of this type of investment. While the return to the banks on their government bond investments is on a smaller scale, there is reason to believe that interest rates are at or near the bottom. A further major decline in rates is not expected and while some time may elapse before the return on money works up to a higher level, the yield on government bonds is not likely to decline much farther, if at all.

Economies Are Unnoticed

While the yield on government bond investments has been stressed as one reason for the falling off in earnings, another side of the picture has been wholly neglected—economies put in force by the chartered banks. In the last few years one of the larger institutions has effected five major economies. The savings in operating costs have been substantial and have tended to minimize the decline in earning power in investments and other branches of banking. The effected economies, of course, have not enabled the banks to maintain earnings, but they are of importance in analysing the present position of the banks.

Central Bank Over-stressed

The loss of business to the Bank of Canada has, generally speaking, been over-stressed. The opposition once shown by certain of the banks to the central institution gave rise to the belief that the banks were opposed to the formation of the Bank of Canada largely because of its possible effect on their earnings. The banks formerly handling the Dominion Government account have felt the loss of this business to the Bank of Canada, but this account was by no means generally distributed. Hence the majority of the chartered banks have not suffered by the transfer of the Dominion Government account

In respect to other banking handled by the Bank of Canada, it is felt that the central bank is better fitted to handle it than the chartered banks. Then again it has not been the case with the Bank of Canada of take all and give nothing. The chartered banks have benefitted by the central bank though the balance probably favors the Bank of Canada.

Note Issue Situation

Withdrawal of the note issuing powers has been frequently pointed out as one of the principal reasons for the weakness in bank stocks. At the Royal Commission enquiry evidence was given to show that the power to issue notes was a very profitable source of income for the chartered banks In conveying the note issuing power to the Bank of Canada, the Government provided that the chartered banks would not begin the withdrawal of their own notes until the beginning of 1936. Further only 5 per cent would be withdrawn each year for the first five years and then 10 per cent a year for the following five years. Thus over a period of 10 years the chartered banks would withdraw 75 per cent of their note issue. After 1946 the banks are permitted to issue their own notes to the extent of 25 per cent of their paid-up capital.

Thus the chartered banks have a 10-year period in which to adjust themselves to the loss of their note issuing powers and the withdrawal of most of their present note issue. From the point of view of revenue, this loss is not now important. With the present low return on money, the note issuing power has little or no value; certainly nothing to compare with what it would have been worth to the banks a few years ago.

The effect of political talk on the alleged weaknesses in the financial and banking system of the country has helped to depress bank stock values. No serious disturbance of the existing system is expected to result from the forthcoming elections and examination of the market trend of bank stocks in other election years, shows that a decline in values prior to a Federal election is not uncommon and of a temporary character.

Whittall Director

E. GERALD HANSON

Of Montreal, who has been elected a member of the new board of directors of Whittall Can Co., Ltd., the control of which has just been acquired by the Continental Can Co., Inc., of New York.

BUSINESS RISE HITS NEW PEAK DURING AUGUST

Post Index Reaches 104.2 Per Cent of 1926 Level

MINING OUTSTANDING

Business Improvement Supported by Security Markets — Power Output at New High

August business bristled with advances. Volume in the month, as measured by The Financial Post preliminary index, was 104.2 per cent of the 1926 average, 1.4 per cent above the preceding month and almost six per cent above the same month last year. Factors chiefly responsible for the gains were mining, forestry, construction, power production, trade and construction. Lesser improvement was experienced in manufacturing and in the food industries.

Back to Normal

Advance during the month definitely brightens chances of crossing the post-war normal line in the near future. The persistent upward movement since the beginning of the year is having an encouraging cumulative effect.

Advance in business operations was well supported by developments in other fields. The index of stock prices reached its highest point since early in 1931, offsetting much of the decline of the previous two months. Bond prices also rose during the month, although weakness has been evident since. Commodity prices, however, averaged but slightly higher than in July, and were a little lower than a year ago. Since the end of the month gains in grain and metal prices have been largely instrumental in bringing price averages into line with last year.

Gains in the mining industry were outstanding. After seasonal adjustment, eight of the nine factors included in the index recorded marked improvement. Exports of copper were up 23 per cent, for instance; silver shipments were at the highest level in the post-war period. Nickel exports increased by almost 2 million pounds, probably due to armament demand.

Manufacturing Gains Small

Manufacturing showed a small gain. Production of pig iron was greater than at any time since June, 1931, although steel production dropped from the high July level. Automobile output fell to a low ebb, largely due to the early introduction of new models. Many plants are closed down to prepare for the 1936 styles. Manufacture of tires, however, showed a moderate gain. Imports of rubber were more than double those of July; but this factor has been erratic during the present year. Decline in raw cotton imports was greater than normal, but gains in cotton yarn and wool for further manufacture foreshadow greater activity in these lines. Footwear production is currently at a lower level than the very high volume of this spring. Increases in production of sugar and flour and in exports of cheese were in large measure responsible for a small gain in the food index. Meat packing was less active.

Lumber Export Soars

The forestry index, influenced by the marked gain in lumber exports, up more than 60 per cent at 164.5 million feet, advanced to the highest point since January, 1930. Newsprint output was little changed from its high and fairly steady level of the past four months.

If expansion in contract awards in the past three months may be taken as an indication, the construction industry is at last coming into its own. The adjusted index of contract values was 82.0 in August, as compared with 67.7 in July. Building permits have shown a more moderate rise, but August showed a gain of 20 per cent.

Electric power output and trade were other star performers in the month. The former rose to a record high, climbing to twice the level of 1926 for the first time. Trade was the heaviest for many months, the gain being particularly notable in exports which rose to the level of late 1930.

Major Economic Factors

	August, 1935	% change from Aug., 1934
Post business index ..	104.2	+5.9
Wholesale prices	71.6	—0.8
Stock prices	94.7	+13.0
Shs. traded, Mtl., No.	318,960	+14.3
Dom. bond yields	139.7	+8.7
*Bank deposits	105.3	+6.4
Mineral production:		
Copper exports, cwt.	424,081	+80.1
Nickel exports, cwt.	141,016	+19.1
Zinc exports, cwt...	284,808	+16.9
Gold shipments, oz..	301,312	+14.5
Silver shipments, oz.	2,999,197	+121.7
Manufacturing production:		
*Flour prod., bbls. ..	992,340	—7.5
*Rolled oats prod., lb.	7,650,617	—25.7
Cattle slaughter., No.	114,184	+2.7
Hog slaughter., No.	175,542	+3.7
Raw cotton imp., lb.	7,027,396	—17.7
Cotton yarn imp., lb.	434,644	+24.5
*Leather boot & shoe prod., pair	1,488,628	+29.2
Newsprint prod., tons	235,373	+9.0
Steel ingot prod., tons	82,488	+29.9
Pig iron prod., tons	54,414	+31.2
Auto. prod., No. ...	7,692	—22.3
Petroleum imp., gal.	126,729,590	—2.2
Crude rubber imp., lb.	6,303,645	+44.5
Export of planks & boards, ft.	164,452,000	+21.7
Contracts awarded, $..	23,837,400	+76.0
Building permits, $ ..	4,293,058	+14.1
Carloadings, No.	196,923	—3.7
Imports, $	49,560,063	+13.9
Exports, $	71,699,760	+28.4

*Preceding month.

BATTLE JOINS POWER PACTS BEFORE 1936

(Continued from page 1)

tion as well. If Liberals form the next Federal government Premier King is counted on by Premier Hepburn not to disallow the Ontario Act. Premier Taschereau would like his own election off his hands as well.

On August 31 the purchased power commitments of Ontario Hydro-Electric Power Commission were shown at 608,707 horsepower. It pays at the rate of $1.25 per horsepower every month for that power and uses some of it in Eastern Ontario. It really costs the Commission $1.75 a month delivered in Toronto. The Commission's revenue in the Niagara district is slowly increasing but the commitments for power, it is claimed, are sending up expenses twice as fast. Even with present purchases the Commission has to draw from reserves and will dip into them materially again this year. Outside the Niagara district the Commission has a profit so far this year.

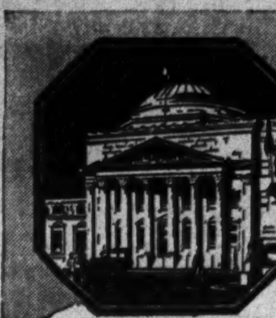
It is rather expected that when battle joins to see if new contracts cannot be negotiated the Ontario government case will be bolstered by attacks on financing of the power projects, claiming that the province should not be "held up perpetually" to pay interest on bonds which did not represent money actually going into the projects.

So far the only contract under which power has been refused is that of the MacLaren-Quebec Power Co. The Commission refused to take any more power and the company has informed the Commission that it is taking the continued payments for the total of power still accepted and paid for as only "part payment." That may be the attitude of Beauharnois, Gatineau and other companies. The real fight will come when the contracts themselves as a whole are disowned. Then the fat will be in the frying pan with governments, bondholders, financial houses, power companies, protective committees all presenting their various views.

The August summary of loads of the Commission for primary and secondary horsepower is as follows:

August Summary of Loads

Systems:	Max. 20-Min. Peak H.P. Aug., 1935	Aug., 1934	% Increase
Primary Load			
Niagara	828,820	791,421	+4.7
East. Ontario ..	90,851	84,000	+8.2
Georgian Bay ..	29,082	26,899	+8.1
Thunder Bay ...	61,857	43,164	+43.3
Nor. Ont. Props.	61,765	45,188	+36.7
Total	1,072,375	990,672	+8.2
Primary and Secondary Loads			
Niagara	1,060,724	1,068,767	—0.75
East. Ontario ..	119,873	110,576	+8.4
Georgian Bay ..	29,229	26,899	+8.7
Thunder Bay ...	105,190	83,780	+25.6
Nor. Ont. Props.	104,526	76,153	+37.3
Total	1,419,542	1,366,175	+3.9



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Social Credit Dean

Dean of Canterbury Accepts Social Credit on Faith and Doesn't Worry About Explaining Its Details

By C. W. STOLLERY

Dean of Canterbury, the Very Reverend Hewlett Johnson, D.D., is a pleasant elderly gentleman who believes somewhat vaguely that "social credit" is workable.

He confesses himself at sea on precise methods of applying some of the tenets of "social credit" but is not perturbed on this account.

Dean Johnson quite frankly relies on mathematically-inclined friends and on orthodox disciples of Major C. H. Douglas, inventor of "social credit," to explain its intricacies for him.

For himself, the dean is satisfied to take a good deal of "social credit" on faith and to carry its gospel to the world, including Canada, as an inspired missioner.

These things seem apparent from the dean's remarks in his "social credit" preachings on his current Canadian tour. They were confirmed to me in a two-hour chat with this ecclesiastically eminent "social crediter."

Says It's Easy

The question, "How would you apply 'social credit?'" brought the bland reply:

"It's easy in a sovereign state which has the power to issue its own money. You need to estimate total production and total consumption and issue purchasing power to the extent of the excess of production. You can create purchasing tickets to the amount necessary to make consumption equal production."

"Then you believe consumption is always less than production?" the dean was asked.

"Yes, there's always a deficiency of consumption," he replied. He went on: "Take the United States, for instance In 1918—that's the last year for which I have figures—total production was £60,000,000 and all the money distributed in wages, salaries, dividends, and so on totalled £45,500,000. There's your shortage of purchasing power"

Estimates Don't Matter

Leaving aside the antiquity and the uncertain source of the dean's figures, I asked: "How would you estimate current production and consumption?"

"You could estimate ahead," was his smiling reply. "You could calculate for six months and then base the six months ahead on the past half-year."

"But such estimates vary by many millions and couldn't be expected to be accurate," was my inquisitorial "teaser."

The dean, confidently, ventured: "That would hardly matter. It is so obvious that there is a shortage of purchasing power that you could afford to start by paying a dividend of 10 per cent of all prices without taking any risk. I believe that the shortage is probably 50 per cent of production so that it would be quite safe to start to experiment with a dividend of 10 per cent without stock-taking at all."

Compensating Discounts

Like Major Douglas, Dean Johnson's idea is to pay a social dividend by reducing prices by a flat percentage at the time of sale.

I asked: "How would you compensate the merchant who reduces his prices by, say, 25 per cent?"

"The seller of goods," rambled the dean, "would hand in discount chits to the bank in proportion to his sales. Then the national treasury would honor the chits when presented through the bank."

"Where would the treasury get the money to pay the bank?" was the next query.

"The treasury would create it out of the blue without any interest charge on it," said Dean Johnson.

"But the treasury would have to give the bank some sort of tender, currency or securities, would it not?" I asked.

Answer That One

The dean was visibly puzzled. He turned to Brian Dunningham, young New Zealand "social crediter" who is his companion on the Canadian tour.

"How would you answer that?" he asked Mr. Dunningham.

"The bank," said Mr. Dunningham, "would receive credit with the treasury on which it could not write." This did not seem the kind of credit a bank would like to have on its books and I said so. It seemed to me that the national treasury would simply have to add the chits to the government debt.

Debit Treasury

Anyway, this didn't seem the correct answer to the method of paying the bank. By various interchanges, the dean came to the answer:

"The national treasury account would show a debit for the amount of chits paid by the bank.

"The bank would be given the credit as real money, created out of the blue to balance production.

"Cheques would be issued by the treasury to the bank. Each year more cheques could be issued to distribute purchasing power corresponding with the increase of production."

Lost in Fog

Here the dean wandered down a foggy by-path: "I know Douglas wouldn't like this, but still he thinks it is a possibilty. What," the dean asked me, "do you think of this idea: Money that shrinks with age?"

Being convinced of the dangers and fallacies of this sort of money—which was invented by one Silvio Gesell some 30 years ago—I held my peace.

Still addressing me, the dean expanded: "Why couldn't you deliver the dividends in money which, if spent at once, would be worth full value but which would depreciate with time; issue, say, a £5 note which in a month would be worth only £4; something like stamp money, you know."

Clearly upset, Mr. Dunningham interjected:

"That's a brain wave of your own, dean." Consolingly he added: "It may be a good one but it's not 'social credit.'"

Why Worry?

Under this admonishment, Dean Johnson remained his docile, smiling self . . . and returned patiently to "social credit."

Back to the questions of cheque-issues of the national treasury. The dean saw no dangers in the enormous amounts that would have to be paid out.

"Why should you worry, if there's an increasing public supply of money, if your price level is kept from rising?" was the way he put it. His idea is the more money, the more production. The new buying power, he claims, would be added to consumption rather than to prices. "There would be no inflation," he stated, "If money comes into the market at the same time as production."

Inflation Denied

The fact is, of course, that increases in purchasing power of the proportions vizualized by the "social credit" dean have, in the past, caused inflation. Dean Johnson, however, seems particularly anxious that his scheme should not be interpreted as inflationary. The theory is that if prices rise under "social credit," the additions to purchasing power are stopped.

Economists have replied, of course, that inflation would have gathered momentum before the stoppage of dividends and that such stoppage would simply cause deflation and depression on a grand scale.

Naturally, the question of what the national treasury would do about the ever-mounting total of debits created "out of the blue" had to be settled. Was there any limit to the amount of debits or debt that the treasury could incur in this way?

Need Never Pay

Said the dean: "You can go on increasing production by adding to purchasing power and the government need never balance its accounts or meet the debits, as far as I can see. Japan, for instance, is going on without balancing its budget. I believe the thing can go on indefinitely. That's how they're subsidizing exports.

"What they have in Japan is a left-handed sort of 'social credit.' They are using the national credit for subsidizing exports so that they may sell below cost."

"But other people, not the Japanese, are getting the benefit of low prices for their purchases," I suggested.

Said the dean: "Japan loses nothing by it even though foreign buyers get the benefit of bargain goods. But Japan is gaining the dominance of the world. When once she has captured world markets, then up can go prices."

Infinite Credit

But wouldn't Japan lose her new-found markets if she raised her prices? Queried on this point, the dean made "social credit" infinite:

"If they don't have to balance their budget and don't have to raise dividends by taxation, why can't it go on forever? The debits on the national credit can never be liquidated but need never be liquidated."

There are apparently no bounds in the Dean of Canterbury's version of "social credit."

Says Banks Own Wealth

Borrowing at interest is a hopeless procedure, the dean thinks.

He told me: "Lending to expand productive equipment is sheer inflation in that money is created ahead of production." Apparently the creation of a building, for instance is not considered production of anything in the dean's mind.

He instanced: "While French individuals are getting progressively poorer and poorer, France collectively is getting richer and richer in productive capacity."

This seemed contradictory. "Who," I asked the dean "is getting possession of the productive equipment?"

"It's slipping away into debt," he said. "Banks hold the debt."

"Don't they in turn, owe it to someone?" I parried.

Tangled In Deposits

The dean first replied: "They don't owe it to anybody." Then he added: "They may owe it to depositors, but the banks can destroy their deposit liabilities by contracting credit. They can, for instance, reduce their deposits by selling securities."

My suggestion was that if the French banks sold securities they could effect reductions of deposits but that they would also be losing control of the debt by which the dean said they possessed productive capacity.

Again the dean was puzzled for an answer. As usual, in this circumstance, Mr. Dunningham gave one:

"If the banks called in all loans and sold all their securities, all their deposits would be wiped off. The banks would be left holding only the debt of the community to them for interest. This the community can never meet because the money was never in existence."

Explanatory Calculus

Having always had the impression that banks pay out most of their interest to depositors, employees, tax collectors and shareholders, I asked the dean if he could explain this away.

If he could, he didn't.

He explained his difficulties: "That's where my mathematical friends come in. They'd prove it to you by calculus." Having forgotten my once-minute knowledge of calculus, this was discouraging.

The dean went on: "And what about depreciation? There's a time lag in depreciation. It doesn't get into the stream of purchasing power".

Mathematical Gestures

It was suggested to the dean that depreciation charges are really being spent by someone at some time. That in Canada, for instance, the national productive equipment has probably been wearing out faster in the depression than it is being renewed. "What," I asked, "is your reaction to that?"

"I'm like a battery that's been fired off so often it's powerless to respond," the dean replied. "Two of my mathematical friends are quite convinced that there's a time lag in depreciation. In my talks I try—although they say they've never seen it done—to explain their mathematics with my hands."

Who Knows What?

Of such is the realm of "social credit."

One leaves the benign Dean of Canterbury baffled by his frankness. In confessing his inability to explain some phases of "social credit" the dean virtually admits that he does not know what some of the things are that he's talking about.

Gaitskell's description of Major C. H. Douglas comes to mind:

"It is not only for his conviction but also for his methods that Major Douglas must be regarded as a religious rather than a scientific reformer."

In that critique of the father of "social credit" should be included, not only William Aberhart, Premier of Alberta, but also the Very Reverend Hewlett Johnson, Dean of Canterbury.

G. Tamblyn Plans Sixty-First Store

G. Tamblyn, Ltd., Toronto retail drug chain, will open a store in Niagara Falls, Ont., before the end of the year. It will raise the total number of stores operated to 61.

The company has acquired a property in the business section of Niagara Falls but will not get possession until November. At the end of 1934, 60 stores were in operation, 46 in Toronto, five in Hamilton and one each in Guelph, Kitchener, Stratford, Brantford, London, St. Catharines, Windsor, Chatham and Oshawa.

Canal Traffic Rises in August

The volume of August canal traffic is reported as follows:

Sault Ste. Marie Canal—Total freight increased ten per cent over the same month in 1934 to 7.7 million tons. The increase is largely attributable to wheat shipments, which more than doubled, and to a rise of almost 500,000 tons of iron ore.

Welland Canal — Heavier shipments of wheat, wood pulp, coal and petroleum resulted in an increase of 61,000 tons over August last year. Substantial decreases were shown in pulpwood, iron ore and barley.

St. Lawrence Canals—Tonnage during the month totalled more than 1 million, as against 866,256 last year. Increases were recorded in wheat, corn, pulpwood and hard coal.

Industrial Alcohol Makes Further Contact U.S. Mart

From Our Own Correspondent

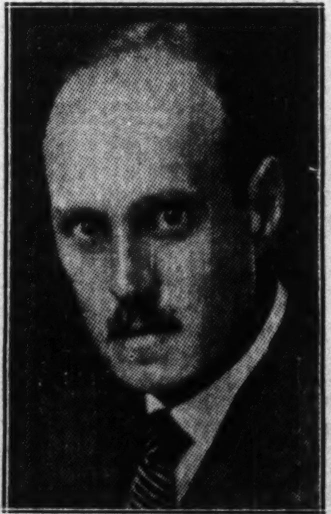
MONTREAL. — Canadian Industrial Alcohol announces that it has granted to the Blue Bell Importation Corp., a subsidiary of Distilled Liquor Corp., the exclusive rights to sell one of its leading brands of rye in the United States. Distribution will commence almost immediately.

The Old Tyme Distillery deal, announced a week ago, has been completed. Meanwhile the Schenley Corp. continues to accept shipments fully up to the specifications of the contract, which calls for an ultimate sale of three million gallons.

Montreal Real Estate

Real estate transfers in Montreal during the first eight months of the year numbered 3,084 and represented a value of $18.8 millions, while in the suburbs 1,378 sales were recorded at $5.6 millions. August showed 404 transactions in the city at $2. millions and in the suburbs 180 at $597,000.

C.I.L. Publicity



C. P. C. DOWNMAN

Canadian Industries, Limited, announces the retirement of G. Steele-Morgan, publicity manager, who after six and a half years with the company is returning to England. His successor is C. P. C. Downman, formerly editor of the Royal Bank Magazine. Before taking over the bank's publication, Mr. Downman was engaged in newspaper work in Montreal.

B. C. Packers

Plan to Eliminate Preferred Stock and Write-off Deficit—All Common New Set Up

Meetings of preference and common shareholders of British Columbia Packers, Ltd., will be held in Vancouver on October 21 to consider a plan for changing all present preferred and common shares into a new no par value common stock. Fluctuating earnings in the industry are stated to make it advisable to do away with the preferential feature of the 39,405 shares of 7 per cent cumulative redeemable preference shares of $100 par value. The desirability of being in a position to pay dividends when more prosperous conditions permit have also led to a reduction of the paid-up value of the shares by the full amount of the accumulated deficit.

The Plan of Exchange

The proposals are:

1st, that 2½ new common shares be exchanged for each of the 39,405 outstanding preference shares, or 98,512½ new shares in all;

2nd, that one new common share be issued for each 10 of the 277,665 common shares now outstanding, or 27,766½ new shares in all;

3rd, to eliminate the present deficit of $4.2 millions by reducing the paid-up capital from $7.7 to $3.5 millions and thereby make it possible for the company to pay dividends when earned.

The letter to shareholders, signed by H. R. MacMillan, president, under date of September 17, expresses the opinion that this is a fair division of interest between preferred and on common. It gives the preferred 78 per cent of the new stock and the common the remaining 22 per cent. Both stocks benefit from the elimination of the deficit and the common benefits further because in future the company will be able to leave off its balance sheet items similar to this one at the end of the 1934 balance sheet, "dividends accrued on 7 per cent preference shares from October 1, 1930, amount to $1.2 millions, or $29.75 a share."

At the end of 1934 the 39,405 7 per cent cumulative redeemable preference shares of $100 par value were shown at $3.9 millions and the 277,662 no par value common shares at $3.7 millions. This makes a total of $7.6 millions but the 126,279 no par value new common shares will be shown at $3.5 millions.

The authorized new common stock will be 390,994 no par value common shares. The 10,595 unissued preference shares are to be converted into 42,380 new no par value common shares and the 222,335 unissued common shares into the same number of new common shares. The company is empowered to issue these additional 264,715 new common shares at a price or for a consideration not exceeding $25 a share. Warrants will be issued to adjust claims for a fraction of a new share.

If applied to the consolidated balance sheet of December 31, 1934, this plan would involve a drop in total assets from $9.8 to $5.6 millions after eliminating the deficit of $3.8 millions and deducting an additional reserve for depreciation of $370,813. The reserve for depreciation is now $2.7 millions and net fixed assets drop from $4.1 to $3.8 millions by this plan. A note states that these capital asset values are derived from appraisal or book figures and do not purport to be realizable or present replacement values.

Starts Even Again

The net result of the new arrangement is that the company would have as at the end of 1934 neither deficit nor surplus. There would be neither a surplus nor a substantial deficit in working capital. Dividends will no longer accrue on stock and so the company will be able in good years to turn its attention to reducing bank and bonded indebtedness.

Fishermen's Loan Act At Enforcement Stage

Preliminary steps toward granting assistance to fishermen under the Canadian Fishermen's Loan Act, passed at the last session of Parliament, have been taken by the Farm Loan Board, which is charged with the administration of the act. The forms on which loan applications are to be made are being distributed.

Under the law, loans are to be made on the security of first mortgages on fishermen's land, with buildings. A loan equal to fifty per cent of the appraised value of the property may be granted where that amount is needed, but the maximum sum to be lent in any one case is $1,000.

Who Are Eligible

Persons who are eligible to apply for loans, it was explained recently by the Farm Loan Board, are those whose principal occupation is fishing and who are actually engaged in the capture of fish with their own equipment or have a definite and legal share in equipment so used or in the catch that is taken. Each applicant must own land with the title in such shape that a loan granted to him may be secured by a legal first mortgage to the board.

The purposes for which loans may be used are the purchase of fishing boats or vessels, or share in them, the purchase of engines and other equipment for fishing craft and lines, nets, and other fishing gear, the payment of liabilities incurred in providing boats, vessels, and equipment, or for other purposes definitely connected with fishing enterprises.

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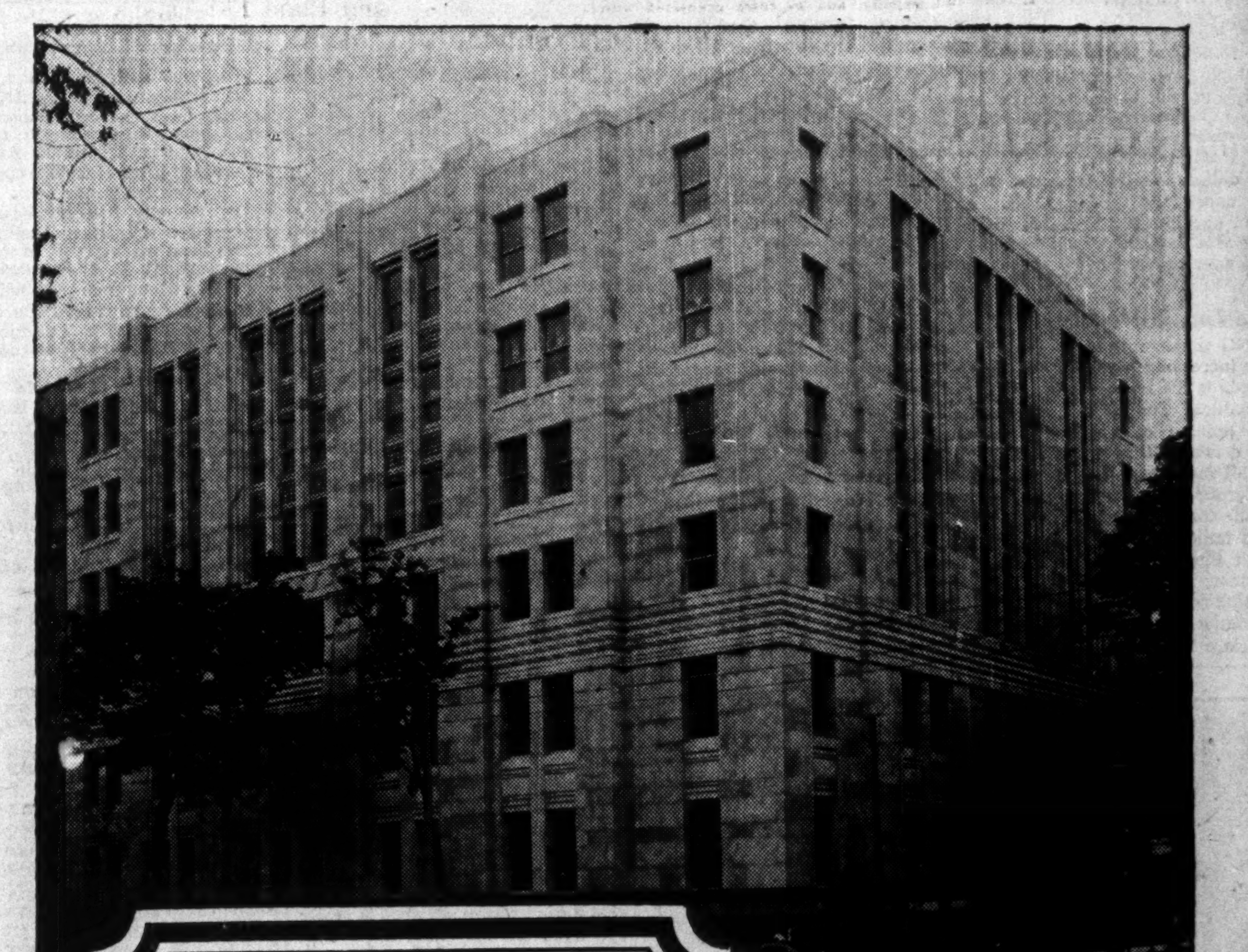

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Investment Trends —

Broad Stock Movement Upward
Interest Rate Trend Hesitant

The past week has seen some halting of the steady advance in stocks which has gone on in New York for weeks, almost without interruption, and which has recently been in evidence in Canada.

The immediate cause of the decline was the Ethiopian war scare which seemingly had been but a minor influence on the stock market of this continent. Traders and investors alike have been investing on the strength of rising industrial prosperity, and upon the confident feeling that recovery would come in spite of rising public debts and much political intereference with business.

Most professional market commentators are undisturbed by the current reaction, which they consider but an intermediate setback in a major bull market.

Buoyant Stocks

BUOYED by persistent signs of industrial recovery in North America, stock prices have undergone only technical reactions for months. It is the broad flow of progress rather than the transitory anticipations of war profits which has encouraged stocks for the rise. The latest setback of share prices may still be regarded as largely technical whether or not the immediate cause was nervousness over East African affairs.

Dow-Jones averages of New York stock prices are fluctuating in a trading range with upper and lower limits of 131.11 and 126.31 for industrials. Under the Dow theory of forecasting N. Y. stock movements by charting changes in the averages, these limits must be broken to indicate a definite change in the near-future trend which has been pointed upward for three years. Says one Dow theory authority: "There is no present reason to assume that the existing movement is other than another of those corrective recessions, although decisive penetration of late August lows would put a different construction on the matter."

The averages are caught, as it were, between two floor levels. The low levels have tended to give a firmer base to the market, and the "chart specialists" are not at all worried by the present reaction and will not be unless much lower levels are reached.

The lag of Canadian securities behind Wall Street makes the strong technical position of the New York market of particular interest to the Canadian investor. Further recovery in New York means immediate strength in Canada for interlisted issues. Usually this spreads on a broader scale to other Canadian share prices.

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Exchange to Investor

TO GILD the frame on the Canadian investment picture, a higher price for newsprint is necessary. Newsprint may be raised by an absolute price increase. Meanwhile, the drop of the Canadian dollar in New York is adding a little bonus on the present low newsprint price.

There is a growing recognition among Canadian fiscal authorities that a high pound is a requisite to good exports, good business and good investment experience in Canada. Thus, while newsprint benefits slightly from the decline of the Canadian dollar, major exports to Britain depend on the pound staying at or above $4.90. Moral: Watch sterling as a Canadian stock market and business barometer.

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Aid to Income

AMONG major influences toward an increasing national income in Canada is the recent rise of basic food products. The effect is adverse in the opinion of those who are chiefly consumers, rather than producers of food. But it enriches the large group who produce more foodstuffs than they consume.

Broad importance of rising prices for basic Canadian products is that the tendency is to disseminate higher purchasing power to agrarian classes and communities throughout Canada. It is a raise to those who are needful buyers. Benefits ensue to a legion of Canadian companies which depend directly and indirectly on farm purchasing power. While higher living costs arouse demands for higher wages in urban areas, increasing business due to better rural buying outweighs rising costs.

The half dozen major Canadian milling companies stand to recover lost earnings if wheat remains high enough at Liverpool to warrant the new-exalted Winnipeg levels. Moreover, active resumption of wheat and flour exports warrants a little rubbing of the palms by Canada Steamship Lines and C.P.R. as examples of transport industries. If the long-expected increase in export traffic continues, C.P.R. revenues may increase for some time.

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Cheap Money

MONEY remains cheap, judged by post-war standards, despite a tendency for interest rates to rise in Canada and abroad this year. This is a major factor in encouraging the rise of share prices. Low interest rates created in the past two years have yet to be established on a basis which can be considered lasting for a period of years. The conclusion of J. M. Keynes that two per cent may be the natural level for gilt-edged bonds in Britain has not been verified. Mr. Keynes himself has weakened slightly on this point.

Government bonds in Britain, the United States and in Canada still remain at high levels compared with records of the past 20 years. It is questionable, however, whether they have not gone into a declining trend.

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Chip Off Gilt

A MARKED kink has been put in the line of high prices for Canadian gilt-edged bonds. Higher interest rates on government securities weaken the cheap money basis in Canada.

It is possible, if not probable, that the interruption of firmness in prices for gilt-edged bonds in Canada is temporary. If it were lasting, a natural effect would be to weaken prices for secondary bonds. But the sharp drop of government bonds is two-edged. To the extent that the weakness is due to loss of faith in government honesty, it tends to encourage investment in corporation bonds and shares.

Stiffening of interest rates would be welcomed if it came as a result of demand for loans for constructive purposes. If interest rates are going into a rising trend, it would, at least theoretically, be a damper on any capital goods recovery based on cheap money.

As to capital goods recovery in Canada, it is questionable how much it has benefitted from cheap money. Building has not been helped by deliberate increase of costs under the Ontario Industrial Standards Act. The other major item of construction costs is interest. Stiffer rates, therefore, are not encouraging.

Still, higher purchasing power resulting from higher basic prices, in tending to increase rents or property values, may offset the discouragements in higher costs of construction. Even without cheap money, there can be further recovery of capital goods industries. Holders of securities in "heavy" industries, and of companies like Gypsum, Lime and Canada Cement will agree that recovery in these trades is essential to all round improvement.

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Election Jitters

ELECTION disturbances in Canada may have passed their worst. Financial communities have been hit so often that nerves are deadened against future pains. Tariff talk will, of course, continue to bedevil textile shares. From the broader investment viewpoint, however, it hardly seems that anything more disturbing than proposals for a nation-wide debt conversion, "social credit," and regimentation of industry will be projected by the favorites in the race for office.

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U. S. Progress

IMPROVED carloadings in the United States are among the most favorable indicators of the way business is going in the "land of the free." Under the Roosevelt "breathing spell" for industry, American business nerves seem to have calmed. The break of stocks on Wall Street is considered largely "technical" in character. The U. S. Department of Commerce describes summer business as having "maintained a relatively favorable trend." Lack of marked recovery in "heavy" industries, however, is a major shortcoming in the U. S. A. as in Canada.

If, as has been claimed, cessation of experimentation will enable American business to go ahead, a basis for further stock market recovery would be laid. Wall Street stock movements will certainly be reflected directly in Canadian markets.

Investment Notes

Ride on Ford

MASSACHUSSETTS Investors Trust jumped aboard Ford Motors Class A stock impressively in August. The trust bought 10,000 shares in the month. Previously it had not been holding any of the shares.

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Bigger Board Lots

INCREASE of the "board" lot to 100 shares for eight of the trading favorites on the Toronto Stock Exchange is not entirely beneficial to the small investor. The stocks concerned including B. A. Oil, Nickel, Walker's, Pete et al, lend themselves to trading in larger blocks. Still, a substantial volume of trading in these stocks has always been in 25 and 50-share lots. The larger "board" lot means that quotations will include bids and offers for "odd" lots more frequently than in the past. The spread between bid and asked quotations for "board" lots may widen. The tendency may be to make it slightly more difficult to trade in smaller blocks.

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B. C. Packers Plan

REORGANIZATION plan for B. C. Packers would give present holders of preferred shares 78 per cent of the equity under the proposed all-common capitalization. Put another way, it gives the holder of one preferred share 25 times what one common share gets. Since there's nothing but an equity with a widely fluctuating earning power to divide, the principle of the plan is fair. The only question in the minds of preferred shareholders will be whether they should get more than 78 per cent of the equity.

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Packers and Burns

THIS week's jump of Canada Packers common was based, of course, on the advantages accruing to stockholders from the plan to reduce fixed charges on senior securities. It will be over a year before such an advantage could be reflected in earnings on the common. Meanwhile other things are more important immediate influences on the 1935-36 year.

It is hard to see how Canada Packers' earnings in the half-year now closing could be anything but favorable. It must be remembered, however, that any downward movement in prices for such products as meats, bacon and shortening would affect earnings adversely. These movements can come at the oddest times. For the past six months, however, price trends have favored both Canada Packers and its farmer-suppliers. The same goes for Burns & Co. It is still unsafe to forecast that Canada Packers will be willing to increase its dividend or that Burns & Co. will make a payment on its income bonds.

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McColl-Frontenac Offer

McCOLL-Frontenac Oil Co., in offering shareholders rights to subscribe for new stock, one in five, at $12 a share, brings up the old question of the value of such rights. The investor who sells his rights gets a cash return of what is really principal. He dilutes his proportionate equity in the business. The one who subscribes for new shares maintains his equity and may increase it by buying "rights."

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C. G. E. Redemption

REDEMPTION of the $50 preferred shares of Canadian General Electric Co. has come as expected. In order to protect investors from paying high premiums for the stock, The Financial Post warned last January that redemption was more than just a possibility. Those who paid premiums for the shares were not warned officially of the risk involved. The Post has also sounded warnings for Bank of Canada stock and for a number of callable stocks and bonds selling above redemption prices. It is distinctly risky to pay more than redemption prices as long as costs of refinancing remain low.

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Algoma Steel Widens

GREATER diversification continues the watchword for Algoma Steel Corp. This is the policy behind the announcement that three new mills are to be opened: a universal plate mill, a tin plate mill and a sheet mill. At present the Sault plants are busy on rail and other heavy orders. In future, they will be better able to handle products which enjoy a more stable demand in good times and bad. The tin plate development has been planned for months by the new British capital brought into the business this year. It follows a similar announcement from Dominion Foundries & Steel, Hamilton.

Sound Common Stocks Stage Recovery from Depression Low

Investment Buying Results in Advances Ranging as High As Several Hundred Per Cent

From Our Own Correspondent

MONTREAL.—Investors favoring the purchase of common stocks who have held off making commitments until the "market shows signs of coming back," may be surprised to know that while present-day market values are, in the main, below the record levels of 1929, recovery from the depression "lows" has resulted in gains ranging as high as several hundred per cent.

During the last three years the common stock market has undergone a complete change as compared with that prevailing in 1927-28-29. In those years the action of the market was dominated by speculative buying. Investment buying amounted to only a small fraction of the trading reported by stock exchanges in Toronto, Montreal, Vancouver, and elsewhere.

The absence of speculative buying since the crash has given rise to a widespread belief that the market for common stock has not recovered from the body blow experienced in 1930 and 1931 when a wave of selling from caught-short speculators forced down the level of stock values to a fraction of what they were in the boom years.

Buying Sound Stocks

A study of the transaction sheet of the exchanges, covering the trading in the past three years reveals a marked diminution of the number of shares traded in on the Montreal and Toronto stock exchanges. However, the sounder common stock, represented by companies which have established business records, have been bought steadily.

Buy for Investment

Recent buying has been almost solely for investment purposes. The decline in speculative interest is reflected in the relatively small amount of brokers borrowings. Marginal buying has been of limited proportions and the greater percentage of the stocks bought since 1932 have been taken off the market.

The glut of securities offered for sale following the crash has been sharply reduced, except for the more speculative issues. The floating supply of the standard common stocks has reached a point where, in many cases, an order for a few hundred shares would force values to higher ground.

Strong Technical Position

The technical position of the common stock market today, in regard to demand and supply, is far stronger than it has been at any time since 1929. The volume of selling has dried up and while the number of shares traded does not indicate any unusual demand for stocks, it is a fact that brokers have a large number of orders on hand to buy on reactions or at fixed prices. For example, a Montreal broker had an order to buy 50 shares of a certain stock at 35. The floating supply of this stock is limited.

Stocks Record Big Gains

Common Stock:	High of 1929	Depression Low	Current Price	Gain from Depression Low	Below 1929 High
Bell Telephone	183	75(2)	131	56	52
Brazilian	82	7(3)	8	1	74
Canada Bread	28¾	1(2)	4	3	24¾
Canadian Industries	275	35(3)	200	165	75
Consolidated Smelters	575	25(2)	174	149	401
Consumers' Gas	196	142(2)	189	47	7
Dominion Bridge	117⅛	9(2)	28⅝	18⅝	88⅛
Dominion Stores	55	12¾(3)	8¼	—4½	46¾
Dominion Textile	118	39(2)	65½	26½	52½
Ford A	70	5¾(2)	27	21¼	43
Imperial Oil	41¼	7½(2)	19½	12	21¾
Imperial Tobacco	11½	6¼(2)	13¼	7	†1¾
International Nickel	73	4(2)	31⅝	26⅝	41⅜
International Petroleum	30	8½(1)	35½	27	†5½
Laura Secord	57	28(2)	61	33	†4
Loblaw A	24¾	9(2)	17¼	8¼	7½
Massey-Harris	98¾	1⅜(1)	4¾	3⅜	94
Montreal Power	90	20⅛(2)	32	11⅞	58
National Breweries	32	9½(2)	36	26½	†4
Noranda	70	11¾(1)	39⅝	27⅞	30⅜
Ogilvie	650	85(2)	165	80	485
Page-Hersey	141	35(2)	80½	45½	59½
Penmans	108½	20(2)	43½	23½	65
Power Corp.	139¾	6(2)	8	2	131¾
Shawinigan	107½	7¼(2)	17	9¾	90½
Steel Co. of Canada	60¾	20(2)	50	30	10¾

Note:—(1) 1931; (2) 1932; (3) 1933. †Above 1929 High.

Had the broker been given orders to buy at the market, the client would have had to pay from one to two points above 35. By taking what was offered at 35, however, the broker was able to fill the order but only after waiting two weeks.

Recovery Has Been Impressive

This type of investment buying has caused a steady appreciation in the market value of the sounder stocks. The accompanying table shows that the greater number of the securities listed reached their depression lows in 1932. The recovery made since that time has been especially impressive in more than one case, while taken as a group, there has been a moderate boom in the past three years.

Four Stocks Above 1929

Examination of the 26 stocks listed shows that Laura Secord, Imperial Tobacco, International Petroleum and National Breweries are selling above their 1929 "highs." With the exception of Dominion Stores, all of the stocks have recorded very substantial appreciation from the 1932 level.

Canadian Industries stock has appreciated 165 points since 1933; Smelters has gone up by 149 and Ogilvie Flour by 80 points. These are so-called blue chip stocks, the value of which fluctuate widely on a very small turnover.

Like 1929 Profits

Taking the more commonly traded-in common stock, the record of the past three years is relatively as good. Bell Telephone has advanced 56 points; Dominion Bridge is selling 3 times as high as it did in 1932; Ford A has gained nearly 400 per cent; International Nickel has jumped from 4 to nearly 32; Page-Hersey has more than doubled at 80½; Steel of Canada records a gain of 150 per cent; Consumers' Gas and Bell Telephone have both made tidy recoveries, but Brazilian, one of the most popular of the trading stocks in Montreal or Toronto has shown little signs of recovery.

Reasons for Advance

Two causes account for the recovery in the value of the principal Canadian stock in the past three years. First has been the consistent buying of sounder securities by investors who have never lost faith in the common stock as a medium of investment. This class of investors has not been unduly influenced by market value fluctuations. With confidence in the soundness of a company's position and faith in its ultimate recovery, the investor has gone on buying with highly satisfactory results.

The second cause is more general and may be ascribed to the switch from bond to stock buying in order to maintain or increase income. The rapid decline in interest rates has made it difficult for investors or those dependent upon income to secure from government or even the better class corporation bonds, the yields that prevailed in 1929. Investment funds have been diverted to the purchase of other securities, notably preferred and the sounder common stocks. This buying, which was absent in the last bull period, has been of noticeable proportions of late.

Thus the steady accumulation of common stocks by these two classes of investors have brought values back to a point where they show substantial gains over the depression "lows" and compare favorably with those prevailing during the last bull movement.

Bond Sales

Kitchener

City of Kitchener has sold $361,302 of 3½ and 4 per cent bonds, with serial maturities over 10 and 20 years, to The Dominion Bank at an average price of 98.90, a cost basis to the city of 3.75 per cent. Previously, the city had invited public tenders for the issue. Disturbance of the bond market, due to investor apprehension of a national conversion of Dominion, provincial and municipal debts, caused the city to withdraw its public invitation and to sell the issue directly to the bank.

Dominion of Canada

Dominion government has sold $15,000,000 of treasury bills maturing Dec. 31 at 99.63519 per cent, a cost basis of 1.363 per cent.

The government has sold $45,000,000 of one-year 1½ per cent bonds and $90,000,000 of three-year two per cent bonds to chartered banks. Yields are 1.9 and 2.25 per cent respectively. Proceeds will be used to pay off $25,000,000 of three-year 4's and $89,393,000 of two-year 3½'s maturing Oct 15, most of which are held by banks. The new short-term financing was undertaken because of the slump of the long-term bond market.

Maple Leaf Gardens
Pays First Dividend

Maple Leaf Gardens preferred shareholders are at last in the money. The stock was issued in 1931 but the initial dividend of 3½ per cent on this seven per cent non-cumulative preferred stock of $10 par value has just been declared. It will be paid October 15 to shareholders of record October 1.

The sports arena known as Maple Leaf Gardens was erected in 1931. Out of hockey, boxing, wrestling, and sport generally, it managed despite depression to make 51 cents a share on preferred in the fiscal year ended October 31, 1932, 60 cents in 1933 and 20 cents in 1934. This payment of half the full dividend of seven per cent apparently indicates the company in the current year has improved greatly on the previous year. The dividend paid amounts to 35 cents a share.

Acadia Sugar Co.
Bond Issue Approved

From Our Own Correspondent

MONTREAL. — Shareholders of Acadia Sugar Refining Co. have approved of a proposal to refund $1.5 million of the company's first mortgage bonds.

The proposed loan, at its lower interest rate, will be used to retire all but $300,000 of what now remains of the company's original $2.5 million first mortgage bond issue. The balance will be taken care of through the depreciation reserve fund.

Cooksville Co. to Move
Head Office to Toronto

Shareholders of the Cooksville Co. are to meet to approve a by-law to change the location of the brick company's head office from Montreal to Toronto.

President C. G. Greenshields, in a letter to the shareholders, points out that plants are in Ontario, where its major activities are conducted. On this account it is proposed that the head office be moved to Toronto.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	17	6	4	4	10	18	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
Weekly Figures, 1935:										
Sept. 5	118.5	11.4	60.3	208.6	62.5	128.9	123.1	145.6	46.3	97.3
Sept. 12	119.8	12.3	60.6	210.9	63.1	128.0	129.0	147.9	47.3	98.7
Sept. 19	120.4	12.8	61.6	207.9	63.4	127.9	127.2	148.7	46.7	98.5

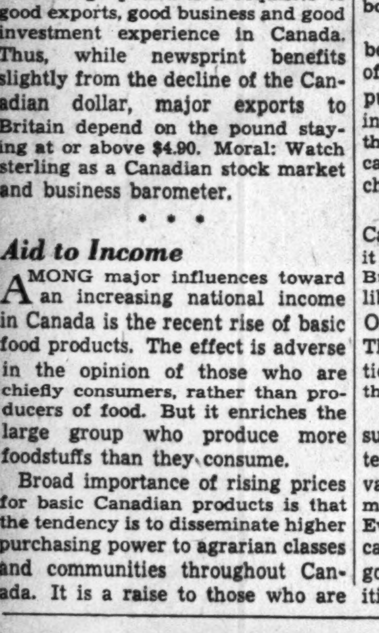
*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 24	108.87	103.94	91.32
Sept. 23	108.79	104.19	91.00
Sept. 21	107.63	103.18	90.92
Sept. 20	108.01	102,64	90.57
Sept. 19	110.79	105.35	92.77
Sept. 18	111.82	105.53	93.79
Month ago	108.53	99.11	94.61
Year ago	95.46	127.43	85.69
High, 1935	114.74	123.68	103.99
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 24	59.5	57.2	57.9
Sept. 23	59.6	57.5	58.2
Sept. 21	59.5	57.1	57.9
Sept. 20	59.3	57.5	58.1
Sept. 19	60.6	59.0	59.5
Sept. 18	61.1	60.1	60.4
Month ago	60.7	58.4	59.2
Year ago	61.8	54.1	56.7
High, 1935	64.2	63.1	63.0
Low, 1935	56.1	56.0	56.7



POWER

Present consumption of electricity in Canada is the highest on record. The output for the first seven months of 1935 is about 10% greater than that for the same period of 1934 and 26% greater than the output for the first seven months of 1930—the previous peak year.

Such a decided expansion in electric power demand is one of the most encouraging facts of the present recovery period, and is being reflected in an improved earnings position of many utility companies.

Today's investors have a splendid opportunity to participate in the prosperity and growth of this key industry.

Investment enquiries invited.

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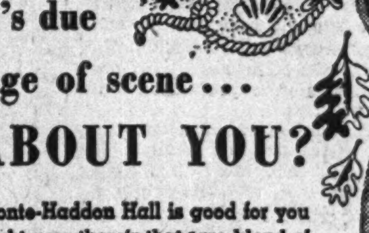

The season's due for a change of scene...

HOW ABOUT YOU?

A SOJOURN at Chalfonte-Haddon Hall is good for you at any time. But right now there's that rare blend of tardy summer and mellowing fall in the air to make it especially piquant.

A sunny chair is all set for you on our long Ocean Decks. From it you may count the combers as they laze in from the horizon, watch the weaving pageant along the Boardwalk at your feet, or doze to the drone of the surf. There's a tonic in the sea air that makes you crave action too. Then golf, ride horseback on the sand, or play a fast game of squash on our courts. Also concerts, dances, game rooms, and varied entertainment in the hotels to heighten the pleasure of your stay. Cheerful rooms. Heartening food.

$7 up at Chalfonte, $8 up at Haddon Hall, single, American Plan. $5 up at Haddon Hall, single, European Plan. Special weekly rates.

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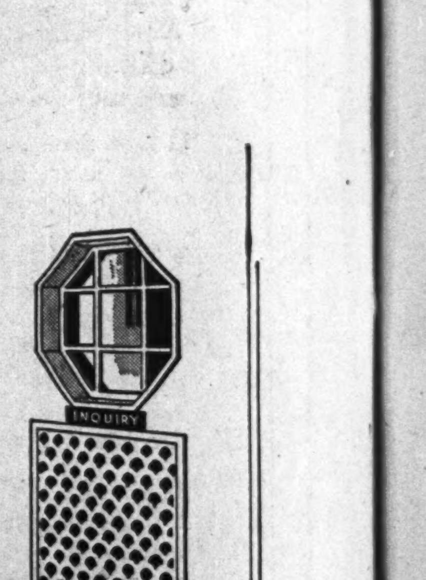
DOMINION BATTLESHIP LINOLEUM



First impressions are usually lasting ... and the impression created by the smart, custom-built Dominion Battleship Linoleum floor in the entrance hall of the Gilbey Distillery at New Toronto (Mackenzie Waters, Architect) is one of quiet dignity.

What impression do the floors in *your* place of business leave on your clients? With Dominion Battleship Linoleum, available in 19 colours and effects, you can reproduce any given design and create unusually beautiful floors which will reflect the character of your organization. Write for particulars of our 5-year guarantee.

● *How much of your Overhead is Underfoot?* ●

DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

Bonds

Signs of Recovery for Gilt-edged Issues — Corporation Bonds Steady

After plumbing a new deep for the year at 106.57 on Sept. 21, as measured by The Financial Post daily average, gilt-edged bond prices recovered to 107.00 early this week.

The time has apparently arrived for some correction of the recent precipitate slump due to the conversion loan scare. If pre-election speeches avoid issues of a disturbing character, bond circles expect the market may settle down or even recover further from the recent collapse.

Western provincial bonds have recovered slightly from the depths reached in the past two weeks. Plans for funding floating debts, however, have met a reverse in the slump of prices. The western issues have shown ability to recover quickly from other shocks, and so may repeat. Social Credit, of course, will continue to mean mistrust of Alberta bonds.

Corporate Bonds Steady

Corporation bonds have withstood the recent shock better than government issues. The threat of conversion, of course, does not apply to corporation issues, excepting those selling at or above call prices. Corporate refinancing is still a possibility, as indicated by reports of Canada Packers' bond negotiations.

As a result of the upset market for government bonds, new financing has shrunk. Banks are handling the loans. Both the city of Kitchener and the Dominion went to banks for their money when the market broke.

The trend of the gilt-edged market is indicated in The Post's averages below:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Sept. 24	4.057	107.00	Sept. 24	3.739	110.92
Sept. 23	4.083	106.69	Sept. 22	3.741	111.00
Sept. 21	4.097	106.57	Sept. 21	3.741	111.00
Sept. 20	4.093	106.57	Sept. 20	3.747	110.96
Sept. 19	4.041	107.16	Sept. 19	3.747	110.96
Sept. 18	4.064	106.93	Sept. 18	3.750	110.94
Sept. 17	4.029	107.36	Sept. 17	3.739	111.08
Sept. 16	4.027	107.43	Sept. 15	3.739	111.07
Sept. 1	3.637	111.54	Sept. 1	3.740	111.03
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.097	106.57	Range	4.517	102.54

Breakwater Contract

A $95,000 contract for an extension to the breakwater at Port Arthur has been awarded to the Toronto firm of Chambers, McQuiggs and McCaffrey. The same firm was awarded the contract for the reconstruction of the Mission River pierhead at Fort William.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Amer. Salesbook.	6%	1939	Oct. 1	102½
Belding-Cort.	5%	1936	Nov. 1	105
Can. Cons. Felt ..	‡6%	1940	Oct. 1	105
Cumberland Rly. & Coal	5%	1940	Sep. 19	...
Dom. Canners ...	*6%	1940	Oct. 1	110
G. T. R.	7%	1940	Oct. 1	■102½
Nat. Cement	7%	serial	Nov. 1	102
National Grocers.	6%	1935	Nov. 1	105
Ont. Steel Prod...	•6%	1943	Dec. 1	110

For sinking fund: ‡$65,000. *$62,600. •$23,900.

■Payable in N. Y. funds.

Stock Issues:	Rate	Stock	Date	Price
Inter. Milling ..	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.

†Plus accrued dividends of 75 cents per share.

GREAT L. POWER PROFITS HIGHER AS SALES RISE

Arrears Payment Reflects Steel and Mine Activity

Net profit of Great Lakes Power Co. has increased materially this year, due chiefly to greater activity in plants of Algoma Steel Corp., which is a large consumer of electric energy. Opening of new mines in Michipicoten has also helped to expand sales.

The improved earning position of the power company is reflected in declaration of a payment of $1.25 a share of dividend arrears in addition to the regular quarterly dividend on the preferred stock. The payments are to be made Oct. 15.

After these payments, there will remain $4.58 1/3 a share of arrears on the seven per cent preferred stock. If present increased sales of power are maintained, prospects for liquidation of all dividend arrears would be good.

Pays Liabilities

On May 1, 1935, Great Lakes Power Co. paid off a serial maturity of $140,000 of six per cent bonds. Earlier this year it liquidated $60,000 of notes and mortgage of $6,100 which it had assumed. These payments were facilitated by receipt from Algoma Steel Corp. of $150,000 for which the Great Lakes Power had held a receiver's certificate.

Payment of $1.25 a share of arrears of preferred dividends involves disbursement of $11,250. Profits in 1934 after all charges were $57,167, of which $52,500 was paid in preferred dividends. This left $4,667 to be added to surplus. To cover the full dividend and the arrears payment, net profits would need to reach $64,000 this year.

Activity in the Michipicoten mining field which bolstered earnings last year has been maintained. New mine mills are taking more power from Great Lakes than last year.

U. S. ADVERTISING LINAGE INCREASES

August Returns Higher, Helping to Increase Demand for Newsprint

From Our Own Correspondent

MONTREAL.—Newspaper advertising trend in the United States turned upward in August, according to data compiled by Media Records Inc., and published by Editor and Publisher.

The August total linage was 2.6 per cent ahead of the same month a year ago. Retail and department store classifications were the strong point last month, despite the fact that the latter fell a fraction of one cent behind its level of August, 1934.

Display Copy Leads

The improved showing of total newspaper linage in August was confined to display copy; the classified dropped off slightly in comparison with 1934. In actual linage, the total advertising last month was practically 90 million lines, compared with 87.7 million lines in the same month a year ago. Display linage totalled 70.7 million, as against 69.9 million in August, 1934, while classified advertising, at 19.2 million, compared with 17.8 million last year.

Aberhart and Oil

Investors Like His Minister, Distrust Expressed Policy—Fear Social Credit Effect on Dividends

From Premier William Aberhart's "Social Credit Manual:"

"Question 52—What will be your attitude toward the development of the gas and oil fields?

"Answer—Social credit stands for the decentralization of power. It would therefore support all individual effort and remove the monopolists' control of the large companies."

Investors in stocks of Turner Valley and other Alberta oil companies have found it impossible to decide from the answer given by Premier Aberhart in his "Social Credit Manual" just what he has in mind. It led to some unloading of Turner Valley Oil stocks and even stock of the head-liner company, Royalite Oil Co., fell from a high of 25½ in August to about 18. As this company is still making progress in its programme of development in unison with the conservation measures applied by the Alberta government, the Social Credit programme is blamed for the fall.

The stock of Royalite went up to 27 in May from 18 in January. Royalite, throughout its life, has been given to considerable fluctuations as shown by the following table of highs and lows since 1927:

Price Range of Stock

	High $	Low $
1928	84	45
1929	200	45
1930	65	15
1931	17¾	5
1932	9.85	3.95
1933	23	5¾
1934	22½	18
1935	27	18

Must Give Capital Chance

The present low price for 1935 is higher than the high of 1932, but it would be lower still but for the general approval that has attended the choice by Premier Aberhart of Hon. C. C. Ross as Minister of Lands and Mines. He was at one time supervisor of lands and mines in Alberta for the Federal Government and so has a first-hand acquaintance with all the problems he will meet.

At first sight the change in regulations permitting the drilling of an exploratory well on a minimum area of 40 acres instead of 160 acres as before threatens to permit a return of all the evils which have grown up around that system on this continent in the past. Turner Valley was one of the chief sufferers from the policy of unrestricted individual effort. It is admitted by everyone that knows anything about it that that valley could have been exploited better for consumer, producer, investor and province if one-third the present wells had been drilled and if expansion had occurred only as markets developed both for gas and naphtha. The present conservation policy has been an attempt to close the stable door before all the horses are stolen.

This change in regulations is not causing concern to present companies because they do not think there remain any investment concerns or oil drilling companies so foolish as to drill on 40 acres. If a developer drilled on an acreage as small as that it would be like an advertisement that he did not expect success. If an area were divided up into 40-acre tracts, it would discourage capital investment in drilling rather than encourage it. Exploratory work in Alberta very naturally was first on the obvious-looking structures and some shallow wells were brought in even in the Turner Valley.

Deeper Drilling Needed

The great hope of Alberta is in the deeper drilling and that requires money. Owners of money will not take a chance of its entire loss if the rewards of success are not equally tempting. All the work so far done in Alberta may be considered preliminary to the grand search. More and more information about underground structure has been made available. Even the wealthy companies have not given up hope that there may be a great and profitable field somewhere and millions of dollars will still be spent, it is entirely likely, in geophysical work and any exploratory effort designed to locate new structures of promise. It is absurd to suppose that that can be done on the basis of 40-acre tracts unless a solid block of them were obtained

Even a very shallow well would cost $20,000 or more while the deep wells in Turner Valley have cost five times as much in some cases. If a large company wanted to try out some area it would want enough 40-acre leases in a block to assure it that success would be worth while. Imperal Oil alone has spent many millions of dollars in this search in Alberta but in the past it was able in each area tried out to get large acreages under lease. When a well proved a dud, it let the leases lapse or dropped enough of them so that the expense of the leases would not be too high if it brought in a gas well which might have a market some day.

Tax Exemption as Inducement

Another move being considered by the Government is likely to encourage investment of capital in drilling for oil. It has been suggested to the new Government in Alberta that no royalty be charged against a productive well brought in until the cost of drilling it has been returned. That would be great encouragement both to rich and poor drillers.

One investor who sold his shares in western oil companies told The Financial Post he had not been actuated by any of the considerations discussed in this article. He said that he had made his head ache on several successive nights by trying to figure out a way in which Premier Aberhart could make good his promise of a dividend of $25 a month to Alberta citizens. The only ways he could figure out involved a disguised levy on those that had the most income and then the spreading of it out over the rest of the population. That, in his opinion, meant the end of capitalism in Alberta whatever Premier Aberhart thought or said. Whether successful or not, he could not see that an investor's capital could be given a fair chance.

"Anyway I will keep mine out of Alberta until the smoke clears and we can see just what is happening," he concluded.

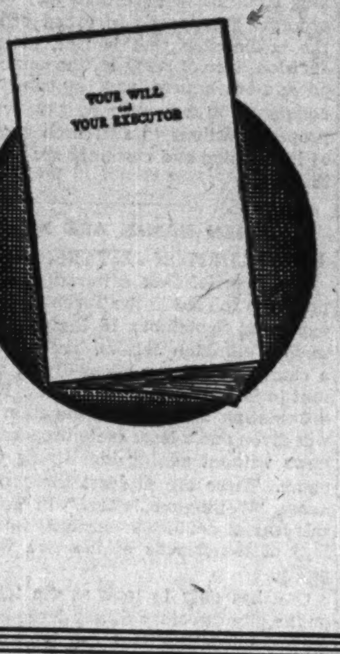
Bond Tenders

Grand'Mère, Que., Oct. 9, 5 p.m.—$39,500 4½ per cent bonds dated Oct. 15, maturing serially 1936-65. J. E. Deziel, sec.-treas.

St. Augustin de Demaur, parish, Que., Oct. 5, 2 p.m.—$28,400, 4 per cent bonds dated Nov. 1, maturing serially 1936-65. Delphis Marois, sec.-treas.

Farnham, Que., School Commission, Sept. 28, noon—$115,000, 4 per cent bonds dated June 1, maturing serially Dec. 1, 1935 to 1959. A. Gaudet, sec.-treas.

St. Adèle, parish, Que., Oct. 7, 7.30 p.m.—$7,000, 4 per cent bonds dated Oct. 1, maturing serially over 20 years. J. A. Granger, sec.-treas.



15 Minutes of your time . . . and your ideas on distributing your estate will have been greatly helped . . .

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2-35

Economic Investm't Trust Raises October Payment

Economic Investment Trust has declared a dividend of 25 cents a share on the common stock for the half-year ending Sept. 30, 1935. It is payable Oct. 1, 1935, to holders of record Sept. 20.

Dividends are paid semi-annually, April and October 1. On Oct. 1, 1933, and Oct. 1, 1934, the trust paid 18¾ cents a share. Payment of 25 cents a share on Oct. 1, 1935, is thus an increase of 6¼ cents a share over the payments on the same date in 1933 and 1934.

The next dividend, which is due April 1, 1936, will reflect results for the full fiscal year, which ends next March 31. The year-end dividend was 31¾ cents a share for 1933-34 and 43¾ cents for 1934-35.

Offer to Pay 5% and 4% on German 7's and 5½'s

The German Consulate at New York announces an offer to pay interest at 5 per cent and 4 per cent respectively, on German Government Dawes Loan 7 per cent bonds of 1945 and Young Loan 5½ per cent bonds of 1965. The offer applies to coupons falling due Oct. 15 and Dec. 1, 1935.

Under the offer, Canadian and American holders of coupons on the bonds will be able to sell them to agencies in the United States. Payment would be made in dollars at the equivalent of 5 per cent on the 7's and 4 per cent on the 5½'s.

Saint John Port Tonnage Shows Gain Over Last Year

From Our Own Correspondent

MONTREAL.—Saint John Harbor handled 80,754 tons of cargo last month, compared with 75,429 tons in August, 1934. Both import and export tonnage showed an increase.

The number of ocean-going vessels reporting inward and outward last month was 60, with a net registered tonnage of over 126,000 tons. Coastal vessels using the port, numbered 315, with a net registered tonnage of about 244,000 tons.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
City of Kitchener	Sept. 18	The Dominion Bank	4½%	20-ins	$34,902	98.90	3.75%
			3½%	20-ins.	46,960		
			3½%	10-ins.	201,156		
			3½%	10-ins.	78,283		
Dominion—							
Canada	Sept. 19	....	1½%	1-year	45,000,000		1.90%
			2%	3-year	30,000,000		2.25%
Canada Treasury Bills	Sept. 20	....	....	Dec. 30-35	15,000,000		1.363%

Goodwill

Tribute to Departing U. S. Consul Illustrates Remarkable Change in Canadian-American Relations

By J. B. MACLEAN

Emil Sauer, who has been United States Consul-General in Ontario for ten years, has been promoted to Rio de Janeiro. He has been treated to a remarkable number of complimentary official and unofficial farewells.

Nothing like this has ever happened before in the case of a United States official. Certainly not in hitherto anti-American Toronto. It is a great personal tribute to a distinguished diplomat who has filled his position with tact and understanding.

Back of all this, however, it is evidence of a very remarkable change that has come over Canadian sentiment in the past 30 years, particularly in the anti-American sentiment that has characterized the descendants of the U. E. Loyalists and early British settlers.

The early Loyalists were Americans who opposed the revolution—or "rebellion" as they called it, and which, of course, it was. In consequence their properties were confiscated and they were often ruthlessly chased to Canada. They were not all of British ancestry. Many who came here were German and Dutch.

Brutal to Canadians

In thus treating the Loyalists, the political agitators in the States were unfaithful to agreements with the British, in spite of the loyal efforts made by the great Washington and Hamilton. Not only that, but for generations they persecuted Canada and Canadians. In short, they treated us brutally. So brutally that Mr. Seward in the '50's—later a member of Lincoln's Cabinet—wrote, while on a yachting trip in the lower St. Lawrence, protesting against this treatment. Shall we call it "blasting?" Instead, Mr. Seward urged, in U.S. newspapers, fair play and kindly and helpful dealings with the splendid people of Canada.

It was not, however, until Theodore Roosevelt came into power that an official change took place. The story, as told me by the late Senator Lodge, is that one of Roosevelt's first acts as President was to instruct his Prime Minister, Elihu Root, to clean up all differences and disputes between Canada and the States and thus develop friendship, not enmity. And with one exception, not yet cleared up, this was done during Mr. Roosevelt's term of office.

Roosevelt and Denison

It was a striking sidelight on the American-Canadian situation that the Canadian whom Roosevelt most admired was the Loyalist descendant who led the most violent anti-American party in Canada, the late Colonel George T. Denison.

In 1902, when passing through Washington, my wife, who was an old family friend of the Roosevelts and I were invited to dine quietly at the White House. Almost the first question the President asked me was whether I knew Colonel Denison and his book "History of Cavalry." He paid Denison a high compliment—as did the late General French, three years before. We discussed the book, Denison and his political views as well. They did not meet until fifteen years later.

As a result of the Roosevelt policy, a complete change of sentiment on the part of Canadians toward the United States has taken place, and the extremely cordial farewells and good wishes which have been tendered Emil Sauer, the Texan-born Harvard graduate and United States career diplomat, and his charming Spanish-South American wife, are a striking official demonstration of this.

But, from a practical side, the policy inaugurated by the late President Roosevelt and accepted in that spirit by Canadians who have changed from coldness to all Americans to cordiality has brought us hundreds of millions of U. S. money, settlers, industries and tourists.

Learning From Britain

The United States State Department—or Foreign Office—is now undoubtedly the best administered of any of its government departments, and its methods are well worth studying by leaders in the Canadian Civil Services. They have not the clever debating capacity which marks the British public service. But with their winning ways, commonly called good salesmanship, they have been most valuable in promoting American general business interests throughout the world as well as growing friendships for the U. S.

The appointment of an outstanding official like Emil Sauer, with his high character and ability, to the most important South American post is but one of several developments which indicate that the United States realizes, as the British for a long time have, the great importance of South American markets. The Argentine in particular is Canada's increasingly great rival for British investments and sources of supplies, for which our rather offensive Canadian overseas trading policies in the last few years has been largely responsible.

To the Holders of Manitoba Power Company Limited

5½% First Mortgage Bonds

Series "A" Due 1951 — Series "B" Due 1952

MANITOBA POWER COMPANY, LIMITED is one of five companies in the Winnipeg Electric group.

THE General Plan of Consolidation and Readjustment for these companies has now been formally approved by the bondholders of all the companies except Manitoba Power Company, Limited.

THE original meeting of Manitoba Power bondholders was adjourned to October 10, 1935, because there was not a sufficient amount of bonds represented to comply with certain unusually exacting provisions of the Trust Deed.

IT is distinctly in your interest for the adoption of the Plan to be facilitated by its approval at the meeting on October 10, 1935.

FOLLOWING this approval the necessary shareholders' meetings will be called as soon as possible. Upon the Plan becoming operative, steps will be taken forthwith to effect the exchange of your bonds for the new General Mortgage Bonds under the Plan on which interest will accrue from January 2, 1935. The accrued interest will be paid at the time the exchange is made.

NO bondholder will suffer any disadvantage by promptly sending in his proxy, nor can any bondholder obtain any advantage over others by deferring action, because if the Plan is approved, it will become binding on all the bondholders and others concerned, and if it is not approved, it cannot be carried out.

Whether the amount of your holdings is large or small you should send in your proxy immediately.

For a copy of the Plan, proxy forms or additional information of any kind, communicate at once with the nearest one of the following:

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The Royal Bank Bldg., Vancouver, B.C.
or any other of its branches.

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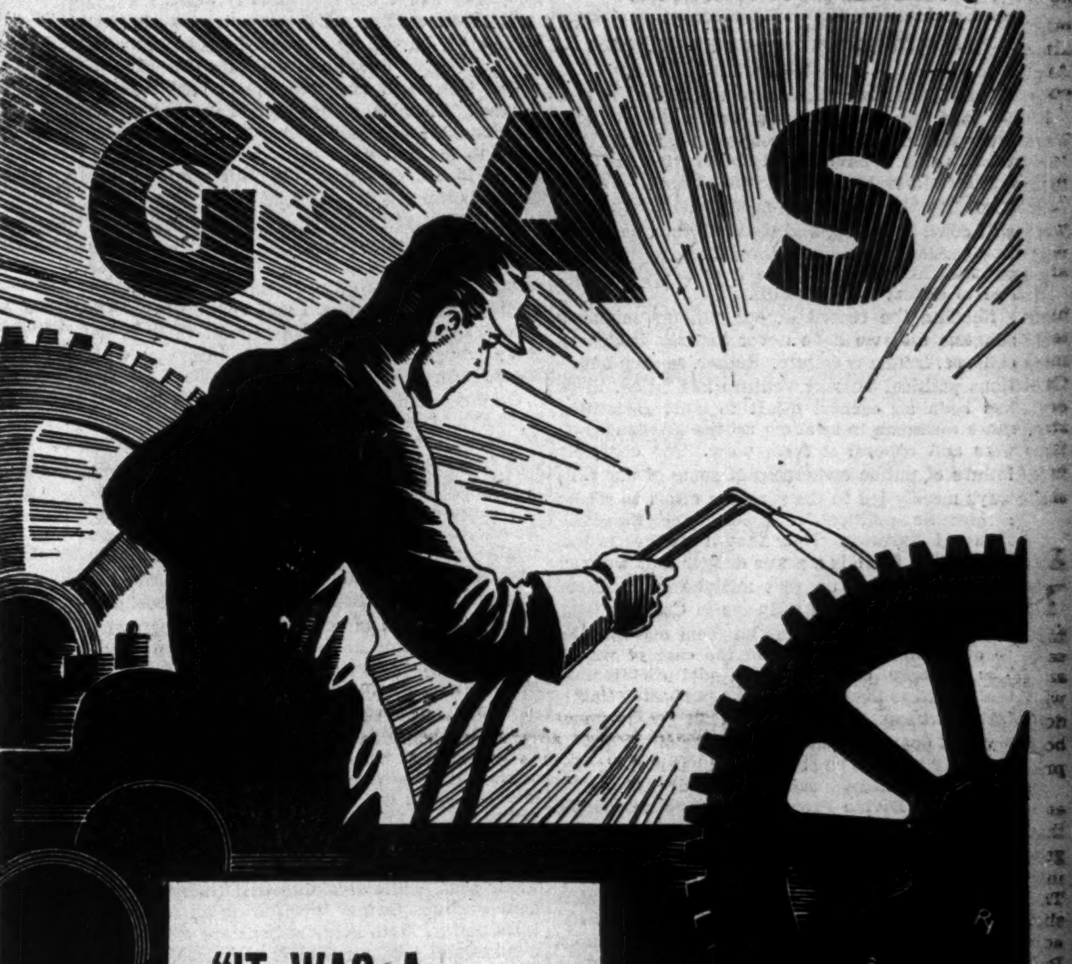
Electric Railway Chambers,
Winnipeg, Manitoba.



"IT WAS A GREAT SIGHT," said a Toronto man who had just returned from a tour of Great Britain, "to see, all over the land, the factory chimneys belching smoke." It meant busy factories full of busy workers.

But inside many of these factories, just as it happens in a city like our own, the use of gas for furnishing quick smokeless heat had correspondingly increased.

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INDUSTRIAL DIVISION
124 RICHMOND ST. W.

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Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

Published by

THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.

Chairman of the Board—John Bayne Maclean

President—Horace T. Hunter

Vice-President and General Manager—H. Victor Tyrrell

MONTREAL, Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W.1; E. J. Dodd, Director. Telegraphic Address, Atabek, Lesquare, London.

The Financial Post Business Year Book, Yearly, $2.

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TORONTO, SEPTEMBER 28, 1935

BUT WOULD WE LEARN EVEN FROM FAILURE?

THEY are very naïve who argue that it is a good thing to give Social Credit the trial and error test in Alberta. The argument is that it is worth while to have Social Credit tried out once and for all; and that when it has been proved an absurdity, the whole movement for Social Credit will come to a stop, and we shall thus be rid of that particular form of economic candy-floss. But political history in Canada does not encourage one to expect such a result.

Reading the record of our railway mistakes suggests that we have never learned from any collapse, from any failure. Rather, as each ambitious political railway venture has failed, there has been an earnest effort to start something more awesome to swallow up the previous mistake and conceal it from view. The complete failure of public ownership of some of our railways merely led to the supreme effort to set up a gigantic political monopoly, the Canadian National Railways. Now that it too has failed, financially, there is a grave danger that we may attempt to cover up that mistake by a larger state monopoly of all railways in Canada.

Similarly we have gone on from one mistake to other and larger ones in the case of wheat. The collapse of the wheat pool dictatorship merely led to the operation of a purported stabilization scheme. Its utter failure has given us now a wheat board to enable the failure of the stabilization scheme to be obscured. What will succeed the wheat board we cannot say. But unless good fortune or Divine Providence intervenes people can count on some further political inanity.

If Social Credit is tried and collapses in Alberta, will that end it? Not at all. The cry will be "On-to-Ottawa." It will be said that it is necessary to try Social Credit on a national scale. If it is tried on a national scale and fails, it will be said that the banks failed to co-operate and that it is necessary to nationalize the banks. Then if failure continues to dog its footsteps the plea will be that all the instruments of production must be nationalized, and so on and on until the ultimate objective will be Socialism or Communism.

BOOT-STRAP LIFTING FROM SEA TO SEA

THE system by which the politicians have attempted to maintain national unity from coast to coast might be called a system of Compensating Bonuses. It works out something like this.

First, we have a protective tariff from which urban Ontario and Quebec benefit directly. But this increases the cost of living in the Maritimes and reduces—so Maritimers feel—the productive power of the people there. So the federal treasury undertakes to bonus Maritime coal, and to pay a portion of freight rates on goods shipped in the Maritime Provinces. This is called, naïvely, an offset to the tariff.

But Westerners too feel that the tariff puts them on an economic spot. So we "offset" the effect of the protective tariff in the West by giving them their Hudson's Bay Railway, by wheat bonuses and wheat stabilization policies, by low freight rates, by loans to the western provinces and in sundry other ways.

Apparently the balance that is sought after is never achieved, for the Ontario and Quebec manufacturers continue to ask for more protection, the Maritime provinces continue to reiterate that they are entitled to their "rights," the Westerners threaten secession or send blocs to Parliament to get them what they think they are entitled to.

* * *

In the ultimate analysis, where does the money come from to pay for this intricate system of subsidies, bonuses, and protective measures of one kind and another? Of course, the people of Canada as a whole must pay. That means that every citizen must pay.

Let us assume that for purposes of argument the favors granted to Ontario and Quebec were worth $100 millions a year and then we offset them by $100 millions a year of bonuses to the Maritime provinces, and $100 millions a year of subsidies to the western provinces. What would have happened? We would merely have involved the whole country in an expense of $300 millions and every one in the country would have to pay a proportion of the expense.

It might easily be worth the $300 millions. It might give us a nation where a nation could not possibly exist otherwise. It might create a well-balanced productive machine that would have no difficulty in producing the extra $300 millions required to pay the cost.

It is like an operation for monkey glands. The $5,000 it would cost might have two values. It might turn an old man into a young man, which would be an advantage in itself, and it might add to the individual's earning power, which would be another advantage.

But the difficulty in nation-building is that no one area is ever satisfied when it is getting what it is entitled to and every area objects to paying the cost of the bonuses given to the other areas. This gives free play to the politicians to use the system as a way of bribing the voters for their support. So the process of nation building turns into the process of credit-wrecking which is just about what is happening in Canada today.

* * *

It is pleasant to observe that the subject is now beginning to receive some limited discussion in the press. The Regina Leader-Post takes strong objection to the promises that Mr. Stevens has made to the Maritime Provinces of greater government assistance and it asks rather pointedly—and the Maritimers will no doubt think rather brutally:

"How can a country that is still going into debt find extra money to bonus people who are unable to compete in certain markets without the assistance of a bonus?"

Down in the Maritimes they see it in another way. For does not the Saint John Telegraph-Journal object to the guarantee by the Dominion Government of $103 millions of provincial credit? Does it not ask,

"In the Maritime provinces we have not only had to shoulder our own financial burdens but we are now unwillingly made responsible by this unjustified use of federal funds."

And curiously enough we find the Calgary Herald quoting the Maritime viewpoint almost with approval.

* * *

We do not profess to have thought the problem all the way through. For instance, we confess ourselves a little mystified by the fact that British Columbia's premier finds that his province has an enormous favorable balance of trade with the rest of Canada while Alberta's premier claims a very favorable balance of trade. Yet the people of both provinces think they are the worse off for the tariff.

If Mr. Bennett's Economic Council is to be regarded as the first step toward taking the weighting of economic and social favors out of the hands of the party politicians then all good citizens will say "Speed the day."

A SUCCESSFUL BUSINESS

SUCCESSFUL corporations are invariably backed by records of personal achievement on the part of those who found and develop the enterprise. Unfortunately too few companies and institutions survive more than a generation, especially under the same family aegis.

Notable therefore in Canadian corporate annals is the rôle played by the Macdonald family in the growth of Confederation Life Association, which last week absorbed the Capital Life of Ottawa. Founder of the company was J. K. Macdonald, a vigorous Scotch Presbyterian who lived to his 91st year. A man of exceptionally strong ideals, he left an indelible mark on the company during 57 years of close association.

He believed directors should be trustees of policyholder funds and that this could be achieved by combining the best features of mutual and joint stock organization. He believed so firmly in the strength and virtue of the life insurance structure he had reared, as to deem it a privilege for anyone to obtain insurance with the company.

On this foundation a worthy structure has been reared by the founder's son, C. S. Macdonald, for the past seven years president of the company and from 1920 to 1928 its general manger. Mr. Macdonald and his associates have brought modern views of merchandising and development to leaven the work of the preceding generation, while at the same time preserving the best traditions of the founders. A third Macdonald generation is now being trained in the business.

A similar saga of continuous and progressive stewardship could be told of many a corporation in Canada and elsewhere. The Molson family in Montreal for example. The Gooderham family in Toronto finance is another. And down at Windsor and Detroit a very close analogy is the Ford business where son Edsel is paralleling closely the Confederation experience by actively merchandising the quality product made by his father.

Both J. K. Macdonald and Henry Ford spent their lives creating the finest possible product. Their sons, while retaining that tradition, have gone one step farther in fostering an aggressive sales policy. Both contributions are essential to a successful business, and it is a priceless thing for any business to have sons who can develop in this manner the traditions of their forbears.

AND IT'S THE SAME SENATOR NYE

WHEN Senator Nye of the United States came up to Toronto to speak to the Empire Club earlier in the year, he almost made his business men listeners weep as he told of the war-making machinations of the armament builders. It was a splendid address, even though Senator Nye did little more than repeat the material that a Canadian publication, Maclean's Magazine, had first published to the world about the relationship of munitions manufacture to the making of wars.

Last summer Senator Nye became chairman of the Bondholders' Committee for the Republican Cuba. Then he asked Cuba to be "a good neighbor" and pay defaulted interest. But the president of Cuba refused to discuss with Senator Nye the settlement of Cuba's bond defaults. And so the other day Senator Nye, in an interview with a Havana correspondent, declared that if Cuba "does not quickly recognize this important obligation...the United States will surely take charge of collections." And as the New York Herald-Tribune points out what this means is that the United States will have to intervene.

It does not do for a man to preach the reduction of armaments and then to preach war by urging in effect that battleships be sent to collect bond interest.

ROYAL COMMISSIONS CAN BE VERY USEFUL

THE Vancouver Sun has an editorial on what it calls the "commission hoax." It thinks that a deputy minister with a few clerks could dig up as much information as any group of experts and do it more efficiently and economically. It contends that when the government appoints a commission to study some public problem it is in reality passing the buck—shifting the responsibility of decision.

The Financial Post does not contend that this country and all of its provinces have got full value for the money they have spent on every Royal Commission or other expert body of enquiry into our economic and political problems. One chief reason for this is that a great many commissions are appointed in anything but good faith. Through them the government simply hopes to avoid the necessity of making immediate decisions. When it gets the report of a commission, it pigeonholes it and, at some later date, when it finds it convenient, it takes a course of action on which it had originally decided.

There have been numerous cases, wherein the recommendations some Royal Commission had desired to make were radically changed because someone in authority tipped the commissioners off to the fact that what they were proposing was not what the government really desired.

But with the general theory of taking expert advice on public problems, before framing legislation or establishing policies, there ought to be general agreement among students of governments. A Royal Commission, or enquiry by experts, implies a willingness to look before leaping and this is always good practice.

We need much more of scientific spirit in the agencies of government. The keenest students of the political sciences have often commented upon the fact that those who possess power, particularly in Democracies, like to legislate and administer in terms of their own experience and aspirations. They fail to avail themselves of the wealth of knowledge and judgment and public spirit in their communities.

The Royal Commission is a simple and, in the long run, not an expensive way of surveying a problem quietly and in broad prospective. But the commission that is "instructed" as to the decision it must bring in, the commission whose powers are limited, and the commission that is composed of men who do not even know the proper questions to ask; such commissions are of little value and certainly are not worth what they cost.

WHEN NAMES ARE NOT NEWS

WELLINGTON JEFFERS, a member of The Financial Post editorial staff, was greatly surprised to read in the Toronto afternoon newspapers of September 16 that two men, one of them Wellington Jeffers, had pleaded guilty to a charge of driving when drunk and had been sent to jail for a term of 15 days. No descriptive information as to age, occupation and address was given and a later radio broadcast carried the news without adding identifying details to the name. There are at least three men with the name, "Wellington Jeffers," in Toronto and so this lack of detail unnecessarily harries the feelings of the friends of the two who were not guilty.

One has only to look at the telephone book or the city directory of any large city to see the potential injustice that can be worked by this method of reporting names. It is now true that very few people can be identified by their names alone, even a name as distinctive as the one cited. English newspapers that give considerable attention to police court news go so far in this way as to give all Christian or given names of a convicted person in full, the age, whether the convicted person is man or woman, the exact occupation and any other identifying details.

Evening newspapers in Toronto once did the same thing. They now give only the names and omit other details from fear of libel. Convicted persons used to give false addresses and difficulties arose. These are real difficulties but so long as this policy is followed no reader of police court items should consider names news. They are as likely to fool him as inform him.

Post-Scripts

EVERY day two or three people ask The Financial Post how the election is going. We have no private information to reveal. But we would be very glad to pass on the estimates that people close to the different groups are making.

Obviously the Conservatives don't know how many Liberals will be elected and the Reconstructionists don't know how many C. C. F'ers. will get in. So it is best to let each party speak only for itself. On that basis the next house will consist of approximately the following representatives of the different parties:

Liberal	150	to	175
Conservative	100	to	125
Stevens	25	to	50
Social Credit	15	to	40
C. C. F.	50	to	60
Communist	1	to	5
Others	5	to	10
	346		465

It will be noted that the Liberals have been liberal in their estimates and the Conservatives have been more conservative.

This means that either the Conservatives or the Liberals or a merger of the Left Wing groups could form a government with a clear majority and carry on.

Unfortunately the estimates provide for between 346 and 465 members being elected. There are only 245 seats in the house. This should not be embarrassing. There are, we understand, in the British House of Commons about twice as many members as there are benches to sit on and the junior members are glad to be allowed to peek through the curtains at the back.

Some of our readers will think we are jesting; that our composite forecast is a little absurd. No doubt it is. All election forecasts are a little absurd except the ones that turn out right.

There is only one way to be safe in election forecasts. That is to make three or four quite different estimates at different intervals; then one can turn back to the one that was most nearly correct and say "I told you so."

A number of people we know are doing that.

Sayings of the Week

"It is too dangerous to run for office. I might get elected."—*Upton Sinclair.*

* * *

"It is not given to any generation of men to write on a clean slate."—*Beni Prasad.*

* * *

"Our popular press only carries foreign news when some sensation is available." — *Harold Nicholson, M.E.*

* * *

"The problem of unemployment is the solution of the depression."—*Lewis W. Douglas, former U. S. director of the Budget.*

* * *

"The United States is the only country that I know anything about that puts on its cash money 'In God We Trust.'"—*Alfred E. Smith.*

* * *

"Stalin wields more power than the Czars who ruled Russia before him; Hitler's authority is far more reaching than that of any Kaiser."—*William Henry Chamberlin.*

* * *

"Human beings are equal. But individuals are not."—*Dr. Alexis Carrel.*

* * *

"Profit is a by-product of work; happiness is its chief product."—*Henry Ford.*

* * *

"Science is a gift of the gods and look how we are treating it."—*Dean of Canterbury.*

* * *

"When they call me Huey Long, of Ontario, I do not feel so badly."—*Hon. Mitchell Hepburn.*

* * *

"I suppose there must be some gentlemen in Hollywood, but I never met any."—*Elsa Maxwell.*

* * *

"No man can ever end with being superior who will not begin with being inferior."—*Sydney Smith.*

* * *

"It is one thing to overwhelm a country and another thing to occupy it."—*General Jan C. Smuts.*

* * *

"Royalty is not an easy yoke. You must have patience. You cannot show when you are bored." —*Queen Marie.*

* * *

"We have false prophets nowadays, but we do not call them that. We call them demagogues." —*Alfred E. Smith.*

* * *

"Let us not forget that, far from progress being at an end, it is going on at a more rapid rate than ever."—*Julian Huxley.*

* * *

"I am a capitalist, and every man who ever turned an acre of sod in this community was a capitalist."—*Stephen Leacock.*

* * *

"The power to tax is not the power to create and stimulate. It is the power to destroy and paralyze."—*Bernard M. Baruch.*

* * *

"My belief is that there are probably as many good books unwritten as there are bad books written."—*Col. Theodore Roosevelt.*

The Farmer Speaks Again On Industrial Codes

From Canadian Countryman, Toronto

In a recent issue of The Financial Post there appeared a letter written by Wm. Dunn, a member of the Carpenters' Advisory Board of the Industrial Standards Act of Ontario in which he undertook to defend the act and criticize views which have appeared in these columns with reference to it. We have not the space at our disposal to publish Mr. Dunn's letter in full, but, as every housewife knows, his statement that there has been no drop in the price of food products to consumers since 1929 is wrong, and we cannot follow his line of reasoning at all when he intimates that it is very wicked for people who themselves have suffered a large drop in income to employ others at less than trade union wages. He thinks that a wage of 30 cents an hour is a terribly low wage. We don't think so. As a matter of fact we ourselves were once employed as a rough carpenter at 25 cents an hour. To tell the truth, we were a very rough carpenter, and we have always believed that we were overpaid. We did not work, however, eight hours a day. We worked from early in the morning until night came and made work impossible, and we were glad to do so because the longer we worked the more money we got.

Our objection to the Industrial Standards Act is that it creates and maintains a condition whereby farmers are subject to one set of economic laws and urban workers—that is, those of them who can get jobs—have the privilege of working under another and different system, a system, moreover, which is maintained at the expense of farmers and other consumers.

If farmers are to be subjected to the law of supply and demand, then the same rule should also prevail for urban labor. If not, then the Ontario government should guarantee farmers prices which would be on a par with the wage rates set up under the Industrial Standards Act. We believe Mr. E. J. Young was absolutely right when he stated in the Dissenting Report of the Price Spreads Commission that "the corrective for low wages is to increase the demand for goods and services." Artificial attempts to increase wages (such as we have under the Industrial Standards Act) can have only one effect, that is to increase the price of goods. This results in fewer goods being bought, which in its turn leads to more unemployment and therefore lower wages.

Mr. Dunn's contention that wages are not an important item in the cost of goods farmers buy is wholly fallacious. They are the most important item.

The Point That is Dodged

Winnipeg Free Press

In a recent speech in Ontario, Mr. Hepburn said:

"People should get firmly fixed in their minds that Governments have no money except what is taken from the pockets of the people."

This, says the Ottawa Journal, is a point that cannot be over-emphasized, and it adds:

"Those who ask the Government for more—more relief, more jobs, more roads, more buildings, more services—fail to realize that in the long run the money comes out of their own pockets. The taxpayer bears the whole burden because, as Mr. Hepburn says, Governments have no other source of revenue."

But this is precisely the point which is blurred in the minds of perhaps an increasing number of taxpayers by all this crazy talk about creating money by "writing figures in a book" with which the ears of the people, particularly in Western Canada, have been bombarded in recent years.

Implicit in most of the gaudy new schemes looking toward Utopia is the belief that no money difficulties stand in the way of their plans—that it can be plucked from the air by the "creation" of "credit instruments." The same idea is not absent from Mr. Stevens's policies. They amount mainly to this: that everybody is to pay everybody with whom he does business a little more; then everybody will be happy. They are mostly meaningless unless they involve inflation or a use of "credit" instruments which will mean ultimately the emission of fiat money

If the point made by Mr. Hepburn could really be driven into the popular mind it would be very easy to put the extinguisher upon the Utopia-makers and the paradise-pedlars and keep the country moving steadily along the road of sane progress; but there is at least the possibility that the lunacy of some of these projects will have to be demonstrated by the process of trial and error—a very dangerous and expensive method.

As Others See Us

Social Credit

Chatham News

Apparently there are important strings attached to the payment of the $25 a month dividend to all adults in Alberta under the Aberhart plan. From this distance, and with the amount of information available, Social Credit is still a mystery to the ordinary reader, and unless the people of Alberta are better informed, it is an even greater mystery why they voted for it.

However, they are likely to learn more about it as they go along, and if they are constituted along the same lines as most Canadians, we doubt if they will find the new plan enticing, or even acceptable.

The Financial Post has been studying the Aberhart literature, and "just to throw a little light on the problem of what Alberta voted for" the Post makes a free translation of Aberhart's official election manual. . . . . . .

The more that is heard of the Social Credit system the more complicated and involved it seems to become. It looks like a system of which the promoters themselves have little practical knowledge but for which they cherish extravagant hopes.

Taking Relief For Granted

Ottawa Journal

In The Financial Post there is a story with a moral. Last week, it appears, some boys in an Ontario high school wanted to practise rugby. Last year's rugby balls had disappeared. The school board had decided to retrench and not purchase any new ones out of public funds. Some new ones were being provided out of the students' own athletic funds but they were not available. What happened? Simply that a group of boys approached the athletic teacher to ask if a ball or two might not be provided from relief funds.

As The Financial Post remarks, a great deal could be written upon this little sidelight on a young Canadian viewpoint on the business of relief. For it has many implications. Many that a lot of us would do well to ponder.

Appointments Which Should be Annulled

Brockville Recorder-Times

The Financial Post thinks that leaders of political parties now in opposition would be well advised to assure the electors that the appointments of two Conservative M.P.'s to deputy ministerships in the Civil Service in Ottawa will be annulled in the event of their being returned to power.

The point is well taken. Notwithstanding all that has been said about the application of the merit and promotion system to the Civil Service, the Ottawa Government in its dying days has deliberately passed over efficient and fully qualified acting occupants of these offices in order that they might be given to two of its parliamentary supporters who do not feel like facing the wrath of the electorate. It has done so while professing to be greatly interested in the civil servants and anxious to promote their welfare.

Are civil servants at Ottawa to be blamed if they resent such treatment, which gives a black eye to the Service? What possible hope have they of reaching the higher ranks if a dying government reserves such plums for political cast-offs with very little knowledge of the duties expected of them simply to put them in safe places in anticipation of the deluge?

That party or group which succeeds in gaining office will be fully warranted in decapitating these newly appointed deputies, and it ought to serve advance notice upon them that they may prepare to pack up.

The "Basic Dividend" Was Not All

Brockville Recorder

If Premier Aberhart carries out all the things to which he committed himself in pre-election statements, Alberta will become a very good imitation of a Communist state.

Consider some of the accompaniments of the Aberhart brand of Social Credit as outlined in the Premier's "own" manual summarized by The Financial Post. . . . . . .

The people of Alberta, blinded by the $25-per-month "basic dividend" proposals, could scarcely have realized what they voted for when they gave Mr. Aberhart a decided mandate to manage their affairs and to put his own peculiar economic ideas into effect. Some of them may already have begun to repent of their folly and certainly a great many Albertans will do so if ever the new government tries to practise all that its members have preached. Moreover, if ever the same appeal is made to Eastern Canadians, it may be depended upon that it will receive the equally overwhelming rejection of all sober, sensible citizens, for social credit on the Aberhart scale most decidedly means the end of personal freedom.

Excessive Tax Unwise

Kitchener Record

The decision of a wealthy Canadian to leave Canada to take up residence in the Channel Islands in order to escape heavy taxation, as revealed by The Financial Post, is an example of what may happen once levies go beyond a reasonable impost.

Should there be a pronounced flight of capital from Canada in years to come due to increasing taxation this country's development would be greatly retarded. Money should be kept in Canada for investment purposes and nothing should be done to seriously discourage capital coming in from other countries.

It is encouraging to note that at least some of our political leaders are aware of the fact that it is possible to kill the goose that lays the golden egg by piling on more and more taxes. Just recently Premier Hepburn told an audience out West during a political rally that you can tax people but you cannot keep them in a community. Truer words never were spoken.

Other People's Views

Main Street

Maclean's Magazine

A phrase or title invented by an author can so stick in the public mind that it becomes a nuisance.

Kipling's line about Canada being Lady of the Snows never brought joy to the travel agencies.

And Sinclair Lewis's "Main Street" gave too many city folk an unwarranted sense of superiority over those who live in small towns.

The meaning of the word main is —important, essential to results, momentous in consequences.

In the trade affairs of this Dominion, Canada's Main Streets are precisely that.

In the 125,000 independent stores is done sixty-nine per cent of the country's retail business.

The 146 departmental stores in Canada do thirteen per cent of the total business. The 8,476 chain stores, eighteen per cent.

Ponder that fact. Sixty-nine of every hundred retail sales are made not by the big departmental stores; not by mail order houses in big cities; not by the chain stores.

They are made over the counters of stores on the corners of country cross-roads, on the Main Streets of our villages, towns and cities. And the owners of those stores are individual citizens, not corporations.

As a people we have been too ready to think that it is size that counts; that power always must lie in concentration.

Manufacturers, mesmerized by Mass Buying have too often neglected to enquire into the importance of the well-established independent dealer; the buying importance of the community he serves.

Stop Me If You've Heard This One

A buxom young Negress, in a very short dress, came before a municipal judge. His Honor, having noticed her scanty clothing, suggested she go home and put on some clothes.

"Judge, Ah spects Ah kin dress like Ah wants."

"You are fined $5 for contempt of court."

Going to the clerk to pay the fine, he enquired what it was for.

"The judge says Ah has to pay $5 for 'temptin' de co't.

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Week in Business

Dollar Wheat is Big News
Durable Goods Recovery

Biggest business news of the week was "dollar wheat". What does it mean? Last week Winnipeg Free Press estimated the total net buying power from western grains on the farm at $241 millions, compared with $223 millions a year ago. This is actual return to farmers, after deduction for the poorer quality crop and allowance for freight rates. The estimate was based on the official minimum price as set a few weeks ago by the Grain Board.

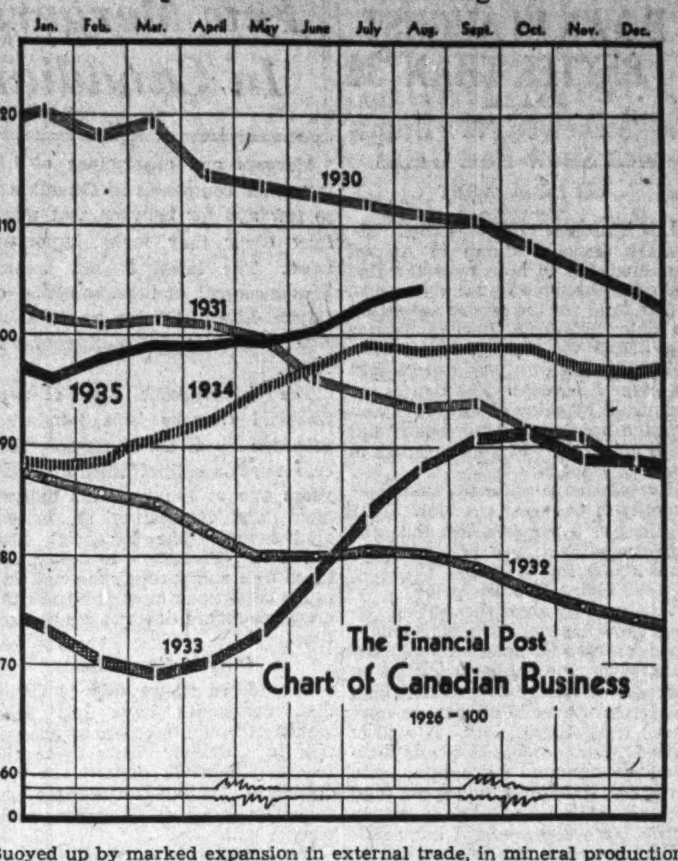
But jack the price across the dollar mark and after allowance for proportionate gains in other grains, it is found that western buying power is increased roughly $66 million dollars or ONE-THIRD more than the corresponding figure of last year. Since farm purchasing power is roughly 40 per cent of the total Canadian economy, and since prices of all other agricultural products are higher by 21 per cent than last year, the meaning of dollar wheat — assuming of course we can sell our crop and carryover during the next twelve months — reaches vast proportions.

* * *

The League of Nations scooped Canada this week by publishing in its new volume, "World Production and Prices," what are, we believe, the first figures made public to show the distribution of Canadian business during the depression as between durable and consumable goods. The figures date back to 1929 and include the first quarter of 1935. They show very dramatically the amazing lag between these two types of business activity; show how the gap has almost been closed for what might be called "durable consumer goods" such as automobiles, and greatly lessened during 1935 for heavy types of durable goods.

We checked with the Dominion Bureau of Statistics and have been given a somewhat similar tabulation recently prepared by them. This shows estimated monthly expenditures in Canada for these two types of goods. It shows that in August, Canadians spent $91.7 millions on "producers goods" — the highest total since March, 1931, and the best August total since 1930. Consumers are estimated to have spent $101.6 millions in July — again the largest expenditure for that month since 1930 — though not as high as some monthly totals during the last half of 1934. The gap is closing, which doubtless accounts in large measure for the spectacular gain in business in August shown on the chart on this page and in a page 1 story.

Up Another Notch for August



Buoyed up by marked expansion in external trade, in mineral production, building and electric power output, The Financial Post index of business activity continued its long climb to pre-depression levels in August. The preliminary figure for the month was 104.2, the highest since the fall of 1930. It represents a gain of almost six per cent from the same month last year.

Background of Business

Price-Fixing Challenged

Jam Case Has Wide Implications—Wine Profiteering—Plumbers' Code

Jam and Law

The fate of the price-fixing feature of local marketing boards hangs in the balance.

A police court case was recently heard before the local magistrate in Oakville, Ont., against George B. Jacobs, a small jam packer for many years. The charge was laid by the chairman of the Jam Marketing Board of Canada and while it did not have to do with the packer selling below established fixed prices, this phase of the matter was brought into the discussion and it will likely be further heard from.

Mr. Jacobs was accused of not providing the board with full information about his pack, sales, etc. There was a long controversy over this point on the part of counsel for the Crown and the defendant, but after judgment being deferred for a week, the case was dismissed because of "insufficient evidence."

Price-fixing is Key

It was admitted that the board's set prices had not been maintained. The defendant claimed that in order to keep his business out of bankruptcy, he felt it necessary to get rid of his stocks at his own prices. Quantities of the goods were purchased by National Grocers Co., the largest wholesale grocery concern in Canada.

It is expected the case will go to a higher court. The accused contends there is nothing in the Natural Products Marketing Act under which the Jam Board operates that gives any group of producers or manufacturers power to fix prices. The chairman of the Jam Board as a witness in the case said that it only attempted to regulate minimum prices. The court case established the fact that the act does give the local board the power to obtain all information regarding production, stocks and prices, but if it cannot set prices to distributors, the aim to regulate the industry effectively may tumble; although if it can cancel or refuse a license its objective may still be realized. The principle involved is very important and the jam situation is being followed carefully by producers, shippers and buyers of other products including beans, tobacco, potatoes, cheese, etc.

Graduate and Groceries

Significant of the endeavor on the part of Dominion Stores, Ltd. to improve its service to the general public is the recent employment by that company of a number of college graduates. These men are being developed into store managers and as they become familiar with the company's method of operation and with actual retailing itself, will be expected to improve the business. In other words, Dominion Store officials are placing experience plus an advanced education on the part of employees will be more valuable than experience plus only a primary education.

Paint Price Aftermath

Since the big paint price cut a few weeks ago, some other paint makers have also lowered their trade and retail prices on the same grade of paint. Companies who have announced placing lower prices on first quality house paint into effect include: Sherwin-Williams of Canada, Canada Paint, International Varnish Co., Martin-Senour Co., Lowe Bros., Brandram-Henderson Ltd., Ottawa Paint Works Ltd., Imperial Varnish and Color Co., Murphy Co., A Ramsay and Son. Some other companies who have not yet made definite announcement on new prices are giving the matter consideration, and will doubtless announce details shortly.

Following closely on the heels of the reduction, comes advice of an increase of fifty cents a hundred pounds in white lead in oil. Companies making the advance state that a steadily increasing price on pig lead from March of this year has caused the upward movement.

Profiteering on Wine

Government officials and hotelkeepers are trying to compromise in wine prices for Ontario's hotels. Growers, manufacturers and winelovers are all keenly interested.

The problem in short is that wine sales are low with the cause attributed to high prices. Who then will bell the cat or broach the cask?

Both the hotels and the board could probably dispense with a little margin and still realize a fair profit. At present, wines bought in France at 70 francs a case are sold in Canadian hotels at $1.50 a bottle or $18 a case. On such a shipment the Canadian Government collects $1 in taxes; shipping charges are less than $1.50 so that the cost to the Ontario Liquor Control Board is less than $6.70. The board adds 40 per cent which they demand as their profit. Then the hotels add another 100 per cent and bring the resultant figure up to the even half dollar per quart. The result is claimed to be an exorbitant cost to Ontario wine drinkers.

Plumbers Plan Code

On October 4, representatives of the Canadian plumbing and heating trade will meet Hon. G. H. Sedgewick, chairman of the Dominion Trade and Industry Commission which becomes operative October 1.

A brief will be presented by the trade incorporating agreements which it is hoped will be made effective by order-in-council, and designed to eliminate supposed trade abuses. Manufacturers, wholesalers and plumbing and heating contractors have co-operated in drafting the agreement which covers matters pertaining to competitive practices, distribution channels of trade, etc. Early deliberations have also concerned the desirability of a consumer price list on plumbing and heating equipment to stabilize prices throughout the country.

Meetings starting Sept. 25 at Toronto will embrace delegates from plumbing associations in Montreal, London, Ottawa, Windsor, etc. A delegation will be selected to present the recommendations to the Trade and Industry Commission at Ottawa.

This is expected to be the first case to be presented to the new commission.

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Industries Pushing Ahead Through Southern Alberta

New Million and Half Dollar Beet Sugar Plant Being Built—Canning Factory and New Coal Mine to Assist in Recovery

From Our Own Correspondent

LETHBRIDGE. — Secondary industries in Southern Alberta are one of the cheering signs of recovery in this section of the west. Original estimate of the crop of this territory was 18,000,000 bushels. It will be closer to 24,000,000 bushels. On top of the revenue from this wheat crop will be that of the sugar beet harvest with another million dollars.

Aside from these regular sources of wealth there is an array of new industries in operation or under development. The new canning factory at Taber is in its second successful year of production. The broom corn tests at Taber are being continued by Regina interests with a possibility that a broom factory will be established.

Seed Venture

On the Lethbridge northern irrigation district near the city, Vancouver interests are in the first year of a large commercial seed venture. Farmers are now delivering seed peas and beans contracted for in the spring. This is a highly promising industry.

Nearby at Picture Butte, Canadian Sugar Factories Ltd., who operate the Raymond, Alta., beet sugar factory, are building a new million and a half dollar plant to be ready for operation in the fall of 1936. Nearly 200 men are on the payroll. The Raymond sugar factory is organizing its staff for another fall campaign and more than 300 will be employed for three months or more.

Near Lethbridge, Lethbridge Collieries Ltd., are opening up a new domestic coal mine which will go into production next year. It was recently inspected by Sir Edward Beatty of the C.P.R., the C.P.R. being the heavy stockholder. The company estimates that there is a huge deposit of high grade coal close at hand, enough for a quarter of a century.

These industrial activities and those in the milling, brewing, macaroni and other plants in the city itself and the large oil refineries to the south at Coutts, are reflected in brisker wholesale and retail trade, likewise in the payment of taxes.

Jap-Canada Scrap Raises Hose Prices

As a result of the tariff war between Canada and Japan all but two Canadian hosiery companies have announced an increase of 50 cents per dozen in the wholesale price of full-fashioned hosiery. It is expected that the two remaining companies will follow suit in the near future. Should the Prime Minister follow out his threat to condemn the existing trade treaty with Japan further price increases may be expected. Until present stocks are exhausted retail prices will remain as they are but on new orders prices will be raised about 10 cents per pair.

Business Indicators

Changes of the Week
as compared with the same period last year.

Favorable:

Construction contracts—advanced sharply.
Building permits—gained 14 per cent.
Foreign trade—substantially higher.
Life insurance sales—up slightly.
Carloadings—up.
Railway earnings—up.

Unfavorable:

Sugar production and meltings—declined materially.
D.B.S. business index—down fractionally.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest 1935	1934	Cumulative Total — Jan. 1 to date 1935	1934
Transportation—				
Car loadings (Sept. 14)	▲54,341	53,564	1,604,952	1,597,053
C.P.R. gross earn. (Sept. 14)	$ ▲2,949,000	$ 2,942,000	$ 83,999,000	$ 84,549,000
C.N.R. gross earn. (Sept. 14)	$ ▲3,722,356	$ 3,587,994	$ 116,078,772	$ 113,804,903
Business Conditions—				
Weekly index D.B.S. (Sept. 14)	▲98.7	96.9	......	......
MONTHLY DATA	**1935**	**1934**	**1935**	**1934**
Business Conditions—				
Financial Post index (July)	103.4	96.6	......	......
Transportation—				
C.P.R. net earnings (July)	$ 1,526,181	$ 1,511,481	$ 7,588,200	$ 9,565,894
C.N.R. net revenue (July)	$ 1,121,381	$ 688,445	$ 3,300,446	$ 5,066,986
Iron and Steel (July)—				
Pig iron production (tons)	50,513	36,759	310,290	194,586
Steel ingots and castings prod. (tons)	86,101	66,647	474,264	464,169
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	6,249	5,506	62,982	49,606
Factory output (July)	9,471	8,407	99,798	75,491
Trucks and Buses:				
Domestic sales* (July)	1,109	1,126	12,113	7,885
Factory output (July)	3,598	2,707	24,537	17,607
Exports (July)	5,105	6,598	38,683	30,509
Construction—				
Building permits (Aug.)	$ ▲4,293,058	$ 3,764,425	$ 33,188,353	$ 17,433,272
Contracts awarded (Aug.)	$ ▲23,837,400	$ 13,548,900	$ 117,981,100	$ 85,651,100
Newsprint (tons)—				
Production (Aug.)	235,573	216,164	1,754,742	1,686,055
Exports (July)	219,461	212,845	1,383,009	1,353,298
Sugar (lb.)—				
Melting & shipments§	▲74,223,266	91,063,904	556,294,119	513,191,653
Manufactured§	▲71,183,208	88,679,472	550,624,612	500,128,185
Flour (bbls.)—				
Production (July)	992,340	1,072,747	7,126,448	7,673,418
Wheat flour exports (July)	395,232	406,026	2,638,217	2,941,639
Trade (August)—				
Imports	$ ▲49,560,063	$ 43,507,331	$ 358,346,853	$ 335,041,690
Exports	$ ▲70,737,836	$ 58,249,375	$ 427,242,172	$ 401,029,549
Wheat exports (bush.) (July)	9,158,035	12,979,231	54,163,556	77,700,575
Employment, D.B.S. Index—				
All industries (Aug. 1)	101.1	99.9	......	......
Manufacturing	99.8	94.2	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	1,790,546	1,706,632	13,170,299	12,083,016
Aver. daily	57,759,000	52,300,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (Aug.)	▲164,452	135,135	853,543	902,794
Boot & shoe prod., pr. (July)	1,728,192	1,333,807	12,392,432	10,641,179
Crude petrol., imp. gal., (July)	133,650,600	116,883,335	576,275,333	545,038,318
Cotton imports, lb. (July)	9,912,771	8,280,941	60,964,630	80,905,086
Raw rubber imp., lb. (July)	2,954,800	5,442,703	32,894,567	36,422,867
Coal imports, tons (July)	1,432,749	1,545,787	6,378,735	6,746,709
Finance—				
Bank debits (July)†	$ 2,545,102	$ 2,767,400	$ 17,761,238	$ 18,210,112
Bond sales (July)	$ 62,407,233	$ 68,252,100	$ 343,449,574	$ 258,434,159
Life insurance sales (Aug.)	$ ▲26,854,000	$ 26,659,000	$ 240,566,000	$ 248,695,000
Automobile Financing—				
Used cars (July)	$ 2,109,499	$ 1,714,419	$ 13,382,065	$ 8,725,391
New cars (July)	$ 2,531,943	$ 1,910,377	$ 16,664,529	$ 11,530,351

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000s omitted. §For 4 weeks to Sept. 7.

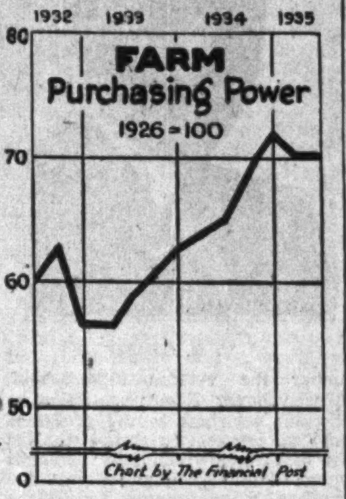
Farm Income Up

Reaches Highest Point in the Last Four Years — Purchasing Power Increased Nine Per Cent

Canadian farm income for the first six months of 1935 reached the highest point in the last four years, according to a revised index compiled by the Canadian Bank of Commerce. Money income during that period averaged 53.12 as compared with 100 in 1926. The index averaged 14 per cent of the corresponding period of 1934. Purchasing power, it is estimated, increased by approximately nine per cent and cost by five per cent.

The returns for the quarter ended June last compare on the whole favorably with those of the corresponding quarter of 1934, owing mainly to higher prices for milk, and both higher prices and larger deliveries of livestock. Wheat enjoyed higher prices, but deliveries were under those of the year before. Total farm income was about 6 per cent above that of the second quarter of 1934. The higher figure for the increase from twelve-month to twelvemonth is due to the larger income from grains in the latter half of 1934 over that of 1933, and to a lesser extent from milk, livestock, poultry and eggs.

As about two-thirds of farm income is derived from sales in the third and fourth quarters of the year, and the prospect for these quarters is brighter than in 1934, the results of this year's farming operations may be expected to show continued improvement. Last year the third quarter showed an increase of 22 per cent, and the fourth one of 20 per cent, over 1933. Income during the first quarter of this year was, according to the banks' revised index, actually slightly less than in 1934. It will be noted that farm costs have recently been rising. Seed, feed, clothing and wages are the main items affected.

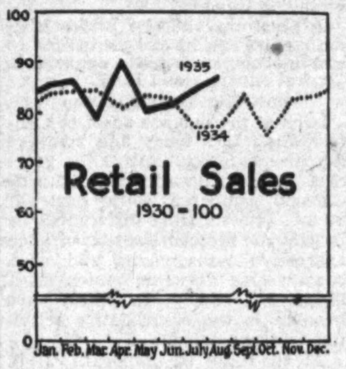


Retail Shoppers Spend More Money New Index Shows

How's business?

Few questions are asked more frequently — answered in more different ways.

For years, attempts have been made in Canada to measure retail sales—find out just how much buying was being done in the country. Best official analysis has been a tabulation of chain and department store sales compiled in index number form since 1929 by Dominion Bureau of Statistics at Ottawa. It lacked adjustment for price changes and also for seasonal variation. Christmas sales, for example, always caused a miniature skyrocket every twelve months.



Latest attempt to solve the problem is an index worked out by McConnell Baxter & Eastman, Ltd. They have smoothed the seasonal peaks, adjusted for price changes. One problem still unsolved seems to be the occurrence of holidays such as Easter, which causes funny ups and downs whenever it occurs "out of place" as it does this year.

The results are shown in the accompanying diagram although the complete index has been worked back to 1929.

August Permits Are 14 Per Cent Over Last Year

Building permits issued in August amounted to $4.3 millions, 0.6 per cent above the previous month and 14 per cent above the same month last year. These figures maintain the record of each month this year showing an increase over 1934; moreover, in every month except January, the total has been higher than in the corresponding month of 1933. The cumulative total for the first eight months of the year is higher than in any of the last three years.

An increase from the previous month was apparent in the value of permits issued for dwellings, 240 permits covering an estimated value of $1.8 millions being issued in August as against 300 permits for $1.1 millions in July. On the other hand, other building declined in value from $3.1 millions to $2.4 millions although the number of permits changed but slightly.

Comparative figures by provinces are as follows:

August Building Permits in Canada

	1935 $	1934 $
Ontario	2,325,133	1,726,310
Quebec	330,541	964,228
Prince Edward Island	4,800	7,060
Nova Scotia	968,942	95,690
New Brunswick	24,835	477,780
Manitoba	102,985	107,000
Saskatchewan	27,535	51,805
Alberta	121,390	122,451
British Columbia	386,697	212,101
Canada	4,293,058	3,764,425

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.10	$7.35	$5.50
Hogs	10.00	10.25	9.00
Copper, lb.	.09	.08½	.09
Cotton, lb.	.1060	.1065	.1285
Rubber, lb.	.1148	.1118	.1538
Sugar, raw, lb.	.0345	.0350	.0287
Silk, lb.	1.92	1.91	1.22½
Wheat (Man.) bus.	.93½	.91¼	.82
Coffee, lb.	.06¼	.06¾	.09¾
Weekly Indices			
N. Y. Annalist	127.8	128.0	120.1
Fishers'	85.2	85.1	†80.2
N. Y. Journal of Comm.	81.2	81.3	77.8
Crumps (Brit.)	65.6	65.5	†66.4
U. S. Labor	80.8	80.4	77.5
Canada (D.B.S.)	72.2	71.5	72.3

† Average 1934.

Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	79.4	78.8	78.5
W'sale (Aug.)	71.6	71.5	72.2
U. S. Labor (Aug.)	80.5	79.4	77.5
Gt. Brit. (June)	68.1	66.6	65.3

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

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ANGLO-CANADIAN EARNINGS HIGHER

Telephone Holding Company Reports Gain in 1935 Revenues

From Our Own Correspondent

MONTREAL. — Anglo-Canadian Telephone Co. reports that for the seven months ended July 31, 1935, earnings available for preferred dividends showed an increase of 10.45 per cent as compared with the corresponding period last year.

In 1934 earnings available to meet the $3.50 annual dividend on the preferred, amounted to $7.88.

Steps are now being taken to have the company's $3.3 millions of 7 per cent preferred stock listed on the Montreal Stock Exchange.

Anglo-Canadian Telephone owns the controlling interest in B. C. Telephone Co., North West Telephone Co., Chilliwack Telephones Ltd., Kootenay Telephone Co., Mission Telephone Co.; Point Roberts and Gulf Telephone Co., Dominion Directory Co., the telephone system in the Dominican Republic, and through an investment company, owns the majority of shares of a subsidiary which operates the telephone system in the Philippine Islands, including the City of Manila.

Drug Sales Per Capita

The per capita sales of drugs and drug sundries in Manitoba total $5.47, in Saskatchewan $3.73, in Alberta $4.59 and in British Columbia $6.17.

New Products

Empire Cream Making Machine—will shortly be manufactured in Canada by Taylor Dutton Products, Ltd., Harriston, Ontario. This company lately acquired the business, undertaking and assets of The Empire Cream Maker Syndicate which owns the sole license to be manufacturer and seller of the Empire Cream Making Machine and appliances in Canada and U.S.

Exports of Western cattle to the United States this year are the heaviest since 1929.

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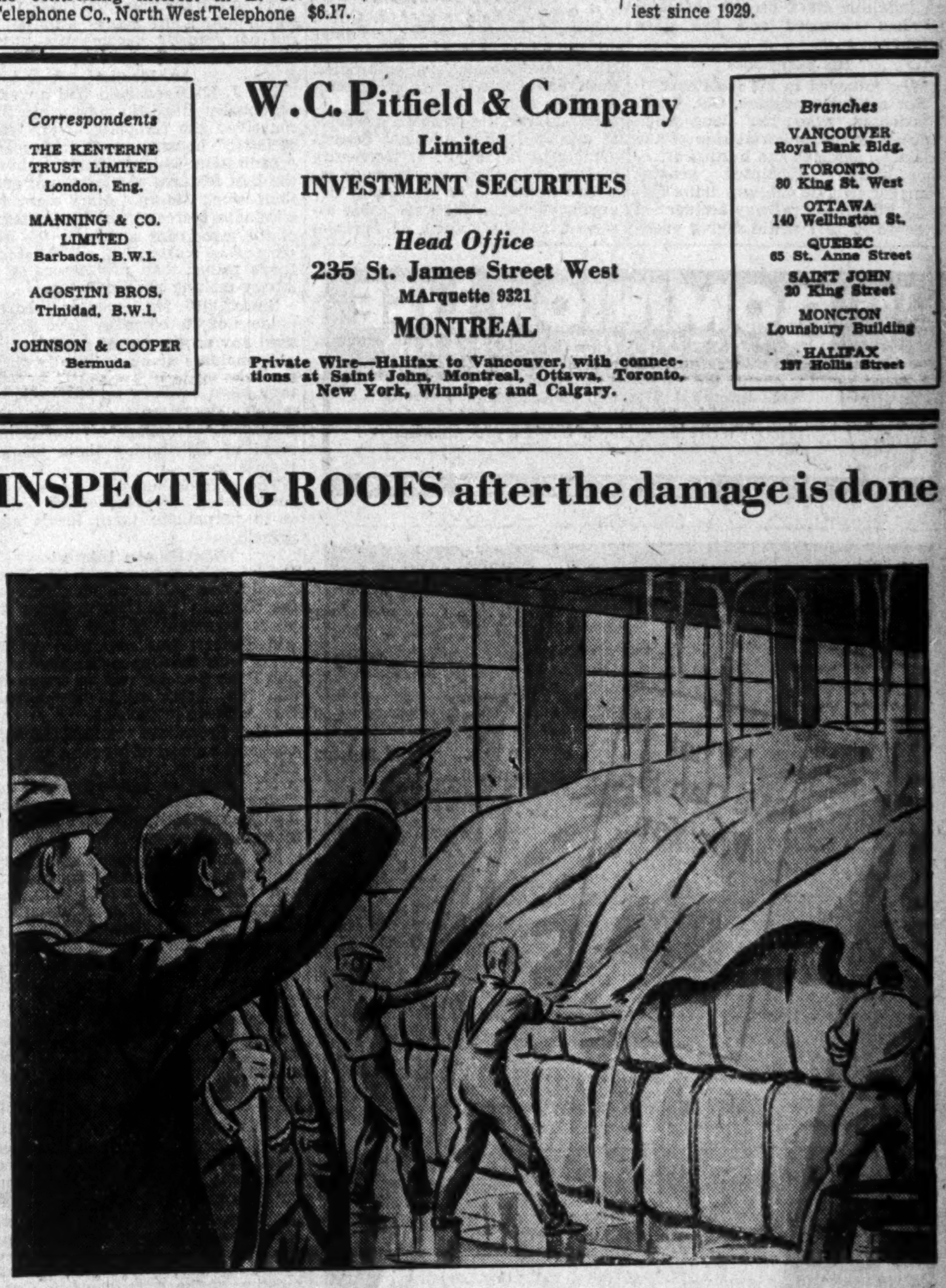
INSPECTING ROOFS after the damage is done



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Fathers of Confederation

Macdonald Tradition Combined with Aggressive Policies of Present Executives Seen as Chief Reason for Successful Growth of Leading Canadian Life Company — Story of Expansion

By KENNETH R. WILSON

Seven years ago Confederation Life Association made front page news by taking over the old Security Life of Toronto. This was something of a new departure for a company which had hoed its own row pretty closely for over fifty years though it is a strange case of history repeating itself in that two of the earliest "absorptions" of Canadian life insurance history were credited—50 years ago—to Confederation Life.

Last week Confederation consummated a similar deal—this time with the Capital Life of Ottawa. In the previous seven years it had absorbed the Commercial Travellers Mutual Benefit Society of Toronto and the Dominion Travellers Mutual of Montreal; had expanded into a dozen world countries; had increased total assets across the hundred million dollar mark.

C. S. MACDONALD

V. R. SMITH

Two MacDonalds

Confederation Life was obviously named after an event. Doubtless thousands of its policies have been sold by linking the name of the company with the political achievement of the fathers of our federal confederation which took place a few years before the life company was founded. Another interesting link between the founders of Canada and the Confederation Life is that in each case the leading spirit was a Macdonald.

In the case of the life company the names "Confederation Life" and John Kay Macdonald were almost synonymous for fifty-five years. It was Mr. Macdonald who founded the company; who found additional money when the subscribed capital stock was increased arbitrarily by legislators from $100,000 to $500,000; who established the company's first agencies in Quebec, New Brunswick and Nova Scotia; who held the company's first policy until his death at age 90 in 1928; who was managing director for 45 years and the company's president for 16 years.

Little wonder that at his death he was not only a dean among Canadian life insurance men but had left an indelible mark on the company he had nurtured and fed since infancy.

His Successors

Who followed in his footsteps?

For a time a nephew, Col. W. C. Macdonald, who had long been trained in the actuarial side of the business, assumed the burden of responsibility. Appointed general manager in 1912, he was unfortunately killed in a railway accident at Toronto in 1917 while saying goodbye to a troop train at Union Station, Toronto.

Founder Macdonald again resumed leadership, but in 1920 his younger son, Charles Strange Macdonald also with a background of rigorous training became general manager. For the past eight years he has been president of the company while his only son— another John K. Macdonald (now just over 30 years of age) is carrying on the family traditions by working his way up through the business.

Don't think the business is a Macdonald monopoly. Far from it. Actually the Macdonald family do not even hold a controlling interest in the company's shares. No one does for that matter. What the Macdonalds have done, however, is to guard jealously the traditions built into the business by the founder who bore their name.

Anyone who holds to these traditions is more than welcome. One such is the company's present general manager and actuary, Victor R. Smith. And it is to C. S. Macdonald and V. R. Smith that major credit is due for the substantial strides made by the company in the past few years.

Charles S. Macdonald

C. S. Macdonald is now 62. Quiet, reserved, cautious, he has two chief interests in life—the company and his own private philanthropies. Both have been inherited directly from his father.

He entered the company's service at age 25 in the actuarial department after an M. A. at University of Toronto. After some years as assistant he moved to the agency department and in 1914 was made assistant superintendent of agencies under the veteran organizer—J. Tower Boyd. Five years later he became assistant to the president and commenced a rigorous training in the work which now demands most of his time and energy—the company's investments. In 1920 he was appointed general manager and shortly after the death of his father in 1928, president of the company.

Aims of Founders

Sixty years ago his father and the company's first actuary (Prof. J. B. Cherriman, later the first federal insurance superintendent of insurance in Canada) laid down certain primary principles for running their life insurance company. In the first place policyholders were recognized as members of the association. They could vote at annual meetings and provision was made for their representation on the board of directors. Participating policyholders were also to get 90 per cent, at least, of profits earned by their policies and non-forfeiture clauses and cash surrender values were included in the policies. Directors and officers of the association were excluded from becoming borrowers of the company's funds. Subsequently most of these principles have been woven into the life insurance fabric of this country—though many provisions did not actually become law until 40 years later.

An Idealist

For J. K. Macdonald had an exceptionally idealistic viewpoint. He conceived the company as an "association" in name and fact; as an organization which would combine the best features of the mutual and joint stock set-up. Aims were to eliminate secrecy from the affairs of the association and view the directors as trustees of policyholder funds rather than proprietors of a money-making concern.

Since 1910 for example, shareholders of the company have never used any profits out of participatng policyholders account (legally they can take up to 10 per cent). In fact they have actually turned back to policyholders many hundreds of thousands of dollars of profits instead of distributing them among themselves.

The dominating characteristic of President C. S. Macdonald today is to perpetuate these ideals and principles.

Wide Human Interest

As to philanthropies J. K. Macdonald was one of the founders of the Toronto Y.M.C.A.; was for 28 years president of the Children's Aid Society; was associated for 55 years with the Upper Canada Tract and Book Society; was an organizer and first president of the Lord's Day Alliance in Canada.

All of these have retained the support and counsel of his son although first place in C. S. Macdonald's heart goes undoubtedly to the Children's Aid Society to which he has been friend and counsellor for more than 50 years.

Mr. Macdonald is also chairman of the Banting Research Foundation and has found time to join the board of Barclay's Bank, Consumers Gas Co., Toronto general Trusts and other important financial and industrial concerns. His colleagues in the insurance business have paid him tribute by electing him president of the canadian Life Officers Association and of the Dominion Mortgage and Investment Association. He writes his own annual meeting addresses, incidentally.

Victor R. Smith

And Victor Smith. Keen, aggressive, intensely active and dynamic there is scarcely a life insurance movement in the Dominion or even on this continent in which he is not associated. In a few days, for example, he will be giving fellow insurance officers some startling views about interest rates at the annual meeting of the American Life Convention at Chicago.

By profession, "V. R." is an actuary. He graduated from the university of Toronto at a time when life insurance companies were beginning to look round college halls for bright young mathematicians. Scores of young men like himself did likewise and today the key positions in Canada's leading life insurance companies are held by those of this generation who, like V. R. Smith rose to the top, via the actuarial route.

Place of the Actuary

"Have actuaries a strangle-hold on the general managership of life insurance companies?" I asked him recently. (Of 30 Canadian life companies, about half have actuaries as general managers at the present time).

"Not necessarily" he said. "But I remember fifteen years ago, Darwin P. Kingsley of the New York Life warned the medical directors of life companies that actuaries were soon going to do their business for them. Today his prophecy has more than come true for actuaries are the final arbiters of what business goes on the books.

"But to rise to the top, the actuary must be an all round man with a capacity for broad viewpoint. This qualification, plus his knowledge of actuarial science makes him an invaluable executive."

Many Achievements

Victor Smith was born in Port Hope, son of a native-born Canadian who operated a furniture store and small manufacturing establishment there. For four years after graduating from university he worked as an accountant with the Toronto firm of John Mackay & Co. At Varsity he gained distinction as winner of the Prince of Wales prize for mathematics. This netted him $18 which went to help pay his tuck bill. A fine athlete, he won his colors at football and cricket; was president of the Trinity College Association.

In 1908 he joined Confederation Life under Col. Macdonald; was made assistant actuary in 1913 and actuary on the death of the Colonel in 1917. He still retains that title, though as general manager of the company since 1929 he has greatly widened his interests.

In his own profession he will long be remembered as pioneering on this continent acceptance of insurance without medical examination. In the insurance field generally, he has for a decade or more, been at the forefront of every effort made to bring about closer co-operation among companies looking toward the betterment of the business.

No one man has done more than V. R. to attain a constructive solution of the jurisdiction question which has vexed the business for the past decade. As chairman of the legislation committee of the Canadian Life Officers Association he has labored unceasingly in this and other useful directions. Not even the serious illness which afflicted him a year ago, kept him from achieving this end.

A great traveller he prides himself on how fast he can get to Mexico and the company's active agencies in Central America and B. W. I.

Post-War Developments

Look at the balance sheet of Confederation Life today and compare it with similar statements ten years ago. Look at its operations outside Canada compared with post-war days. The startling differences lie largely in the combination of keen aggressive management, and wise, conservative direction which C. S. Macdonald and V. R. Smith have brought to the association's activities in that period.

At the time of his death, J. K. Macdonald still retained active, vigorous control of the company he had founded 57 years earlier. So great was his enthusiasm for its welfare and his interest in its well-being, that he still scrutinized each application for insurance that came into the institution.

After his death in 1928 the company was able to build rapidly on the sound foundation he had laid. New agencies were opened in many parts of the world. Policies became more aggressive—a new era of development opened.

That is why Confederation Life has been an especially active force in life insurance in the past decade. Its assets this year passed the hundred million dollar mark and its business in force is rapidly nearing $400,000,000. It is the seventh ranking Canadian company in this respect.

Foreign Expansion

It does business in over 20 countries outside Canada and only a short time ago completed negotiations to open a branch in Hawaii. Within the past few days it has entered Singapore. It is already licensed for reinsurance in New York and if present plans mature it may during 1936 consummate plans laid in 1931 to enter the U. S. field actively in New York, Massachusetts and perhaps even Michigan and Ohio.

Mr. Finlayson's Tribute

The tribute paid to the company by G. D. Finlayson, federal superintendent of insurance when he addressed representatives of the company in 1931 on its sixtieth anniversary, is still apt. He said:

"Sixty years is a long time in the life of an individual or a corporation. In the case of an individual, the lapse of sixty years is usually accompanied by loss of strength. In the case of a corporation, that is not so. A corporation has within it the seeds of perpetual youth. It is able to restore its wasted energies. The arteries running all through the organization are able to respond with renewed elasticity to the pressure from the central heart, and I can imagine and understand the pleasure it is for the representatives of this company—some of you from great distances—to come to this central heart, size it up, look it over, and see to what extent the principles on which it was founded, sixty years ago, are here today."

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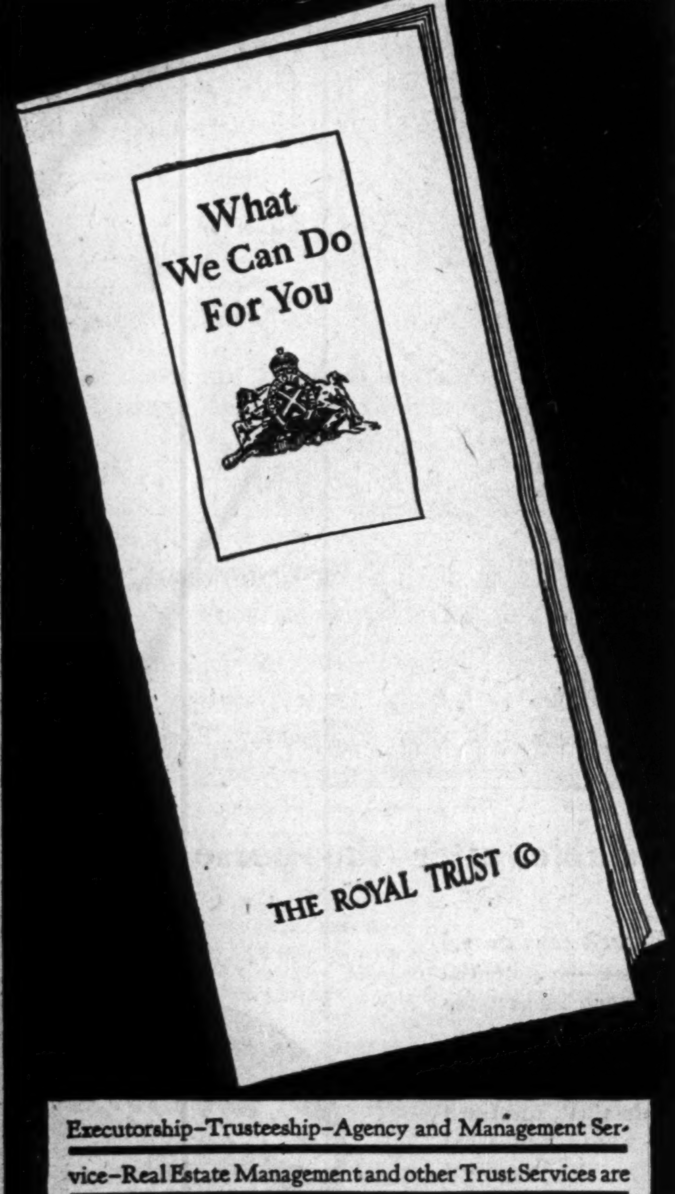

Executorship–Trusteeship–Agency and Management Service–Real Estate Management and other Trust Services are explained in this Booklet which will be sent upon request.

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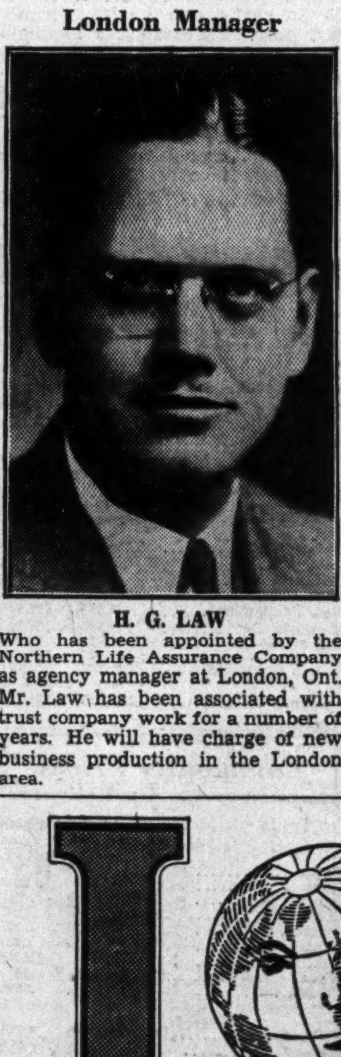


H. G. LAW

Who has been appointed by the Northern Life Assurance Company as agency manager at London, Ont. Mr. Law has been associated with trust company work for a number of years. He will have charge of new business production in the London area.

INSURANCE SALES DOWN IN AUGUST BETTER THAN '34

Saskatchewan, New Brunswick Show Best Gains on Last Year

Life insurance sales took their customary seasonal slump in August but managed to nose over the line ahead of the same figure a year ago.

The total for the month according to Sales Research Bureau figures was $26,854,000 compared with $26,659,000 in August a year ago—a gain of under 1 per cent. The figures are exclusive of sales of annuities and pension bonds and cover companies with 91 per cent of total business in force in Canada.

Cumulative sales for the first eight months of the year are now $240.6 millions or 3 per cent less than the corresponding figure of $247.8 millions a year ago.

Gains Are Divided

Analyzed by areas the August figures show business was particularly good in New Brunswick and Saskatchewan, the former showing an increase of nearly 22 per cent, and the latter of over 16 per cent as compared with August, 1934. A gain of over 5½ per cent was shown in Quebec as compared with the same month in the preceding year, and Ontario with total sales of nearly $11,000,000 was up over 1 per cent.

Returns from the United States show August sales of ordinary business to have been 7 per cent lower than in the same month a year ago. Cumulative sales of ordinary insurance for the first eight months of the year are less than 1 per cent greater than in the same period a year ago.

New group insurance written in the U.S. in August was 33 per cent less than a year ago while the cumulative total for this class of business is up 47 per cent. Industrial insurance in August gained less than one per cent over corresponding figures of 1934 while the cumulative total in this division is also lower by fractionally under one per cent than in the Jan.-Aug. period of last year.

Comparative figures follow:

Ordinary Life Insurance Sales
(Paid For Basis)
(A) Sales by Areas

	Aug., 1935	Aug., 1934	July, 1935
	$	$	$
B. C.	2,010,000	2,004,000	2,266,000
Alberta	1,026,000	1,159,000	1,382,000
Sask.	996,000	858,000	1,362,000
Man.	1,319,000	1,504,000	1,710,000
Ont.	10,841,000	10,724,000	13,385,000
Que.	8,552,000	8,100,000	9,738,000
N. B.	862,000	707,000	673,000
N. S.	930,000	1,173,000	1,243,000
P. E. I.	103,000	130,000	73,000
Nfld.	215,000	300,000	323,000
	26,854,000	26,659,000	32,155,000

(B) Sales by Months, 1933-35

	1935	1934	1935
	$	$	$
Jan.	29,928,000	27,728,000	32,988,000
Feb.	28,095,000	29,036,000	28,716,000
Mar.	31,768,000	32,564,000	31,416,000
April	30,591,000	33,296,000	28,900,000
May	31,916,000	33,184,000	27,423,000
June	34,114,000	32,277,000	32,112,000
July	32,165,000	33,951,000	32,155,000
Aug.	29,749,000	26,659,000	26,854,000
Sept.	27,443,000	26,123,000	......
Oct.	33,434,000	31,342,000	......
Nov.	36,061,000	35,863,000	......
Dec.	38,967,000	37,691,000	......

Figures represent new paid-for ordinary business by 19 companies having in force at Jan. 1, 1935, 90 per cent of the total business in force in Canada. Figures represent both Canada and Newfoundland and are prepared by the Sales Research Bureau, Hartford, Conn.

Municipal Body Lifts Hail Rates In Saskatchewan

While members of the Saskatchewan Municipal Hail Insurance Association will be required to pay higher rates than last year because of increased losses, some of the private companies report Saskatchewan business as a whole better than in the previous season. Rates of the municipal association were set last week at from 7½ to 27 cents per acre on acreage in crop. Last year the rate ranged from 7 to 23 cents. The rates struck are in addition to the flat rate of two cents an acre charged on all land held by the farmer insured. The exact amount of the loss is not yet known, but the new schedule is based on an estimate which should be close to the total.

One of the private companies states that it does not look for an increase in rates in the province in view of the fact that business this year showed a loss ratio of less than 50 per cent.

Few Mergers, Absorptions In Canadian Life History

Mergers and absorptions of life insurance companies in Canada are so few and far between that when they occur they make important news. The latest is last week's announcement of the absorption of Capital Life of Ottawa by the Confederation Life Association of Toronto.

The only available record of these financial changes is a tabulation prepared by G. D. Finlayson, federal superintendent insurance ten years ago at the time his department was celebrating its fiftieth anniversary. The Financial Post asked Mr. Finlayson to bring this up to date and through the courtesy of his department now publishes the complete record down to the present time.

Only 14 Companies

The record shows only 14 Canadian companies have lost their identity through mergers or absorption in the sixty years since the federal insurance department was organized. All but one of these was taken over by a Canadian company.

No Canadian life companies have been liquidated in this period and only one—Canadian Guardian Life (formerly Central Life)—discontinued business in 1912 by surrendering its policies for their full surrender values.

Mr. Finlayson's record also shows half a dozen British life companies which were doing business here in the early days (all prior to 1909) and which were taken over. All of these were taken over by other British concerns, however so that they have little real bearing on the Canadian picture.

Some Omissions

Omissions from the tabulation shown below are that it does not include any provincial licensed companies which may have been merged or absorbed in Canada. Also it does not extend back prior to 1875 when the federal department was first organized. Other omission which might be mentioned is the absorption of life companies outside Canada by Canadian institutions, as for example the Sun Life, which has from time to time added several United States life companies to its roster, the list does not include absorptions and mergers of Canadian fraternal societies.

The tabulation of Canadian life companies merged, amalgamated or reinsured since 1875 follows:

Companies:	Year of Discontinuance	Business in Force*	Assets in Canada (book value)*	Liabs. to policy-holders*	Disposition of Business
Canadian Companies:		$	$	$	
Stadacona	1878	133,950	69,238	3,212	Reinsured with Confederation Life
Toronto	1883	171,309	65,472	28,065	Reinsured with Federal Life
Life Association of Canada	1886	373,650	133,098	101,373	Reinsured with Confederation Life
Citizens	1890	2,170,044	263,041	300,292	Reinsured with Sun Life
Dominion Safety Fund	1894	1,549,000	78,158	15,518	Reinsured with Great-West Life
Temperance & General	1901	9,923,385	925,182	821,873	Merged with Manufacturers Life
Royal Victoria	1911	4,649,086	710,199	749,521	Reinsured with Sun Life
Union	1913	3,214,791	1,406,107	1,319,860	Reinsured with Metropolitan Life
Home	1914	5,088,850	1,504,580	1,411,436	Reinsured with Sun Life
Federal	1915	28,898,979	5,915,079	5,427,690	Reinsured with Sun Life
British Columbia	1918	2,710,880	326,646	257,687	Reinsured with Sun Life
Security	1929	9,516,717	1,030,111	1,036,395	Reinsured with Confederation Life
Columbia	1932	529,748	106,693	10,833	Reinsured with Great-West Life
Capital	1935	14,436,000	2,312,794	2,357,286	Reinsured with Confederation Life

*As at end of preceding year.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Norwich Union

I may take an accident and sickness policy with the Norwich Union Fire Insurance Co. with head office for Canada at Toronto. Are they a safe company with which to insure?

Norwich Union Fire Insurance Co. is one of the best established British offices and has been doing business in Canada since 1880.

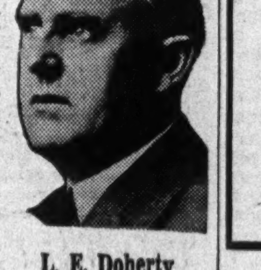
The company maintains the customary deposit with the Federal Insurance Department at Ottawa which gives protection to Canadian policyholders to the extent of unearned premiums outstanding.

The company has an excellent reputation and is one of the best organizations of its kind.

New Achievement In Underwriting From Stratford

It seems to be the open season for long-time underwriting records.

The latest is from L. E. Doherty, of Stratford, Ont., who is reported to have secured $15,000 or more of new ordinary paid-for business every month for the last 200 months — almost 17 years.



L. E. Doherty

Mr. Doherty is attached to the Guelph office of the Sun Life of Canada and joined the company 20 years ago. Since then he has had an average annual production of ordinary paid-for business of approximately $225,000 and in addition writes a fair amount of annuity and group business.

Besides insurance, Mr. Doherty is active in community work, notably Rotary; Board of Trade and Y.M.C.A. He is a past president of the local Life Underwriters Association and superintendent of Central United Church Sunday school at Stratford. He holds the C.L.U. degree.

AWAIT OUTCOME "IN-ONE-IN-ALL" OCTOBER MEET

Councils of Underwriters' Associations to Convene at Montreal

Further developments in regard to the "in-one-in-all" rule are expected early in October. Discussion at the recent convention of the Association of Superintendents of Insurance in Winnipeg, led to the decision to hold a council meeting in Montreal the first or second week of next month. While no agenda has as yet been published, it is believed that the whole problem will be threshed out in detail.

The Canadian Underwriters Association, which was formed to take over the three tariff bodies, the Canadian Fire, Canadian Casualty and Canadian Automobile Underwriters Association, has not yet begun to function. It is expected that officers of both this association and the tariff associations will meet to consider the situation.

At present only Ontario and Quebec are attempting to enforce the provision that companies writing tariff business in one line write tariff in all lines they handle. The Maritimes are definitely out, and it it not considered that they will be in unless it can be shown that the plan is workable in the other provinces. Much the same view is held in the West.

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Grouped Income Shares

Independence Founders Plan is Piecemeal Purchase of Group of Common Stocks

Would you kindly give me an explanation of the savings certificate plan of Independence Founders Ltd., Vancouver? Is this a reliable way to invest? What is done with the deposits made?

Independence Founders "trust" certificates furnish the small investor with a means of buying Grouped Income Shares. It is one of several such schemes supported by Grouped Income Distributors, Winnipeg, which firm markets Grouped Income Shares.

The investor who adopts the Independence Founders plan makes payments, usually monthly, directly to the Prudential Trust Co. This trustee, in turn, invests such deposits, after fixed expense deductions, in Grouped Income Shares. Thus, what the plan amounts to is a method of buying Grouped Income Shares in small quantities.

It is important to understand what Grouped Income Shares are. These shares are not trustee investments, although the title of the Independence Founders certificates includes the word "trust." The use of this term applies to the collection and disbursement of funds by the Prudential Trust Co. as a trustee. It does not mean that the certificates, or that Grouped Income Shares, are legal investments for trust funds which is something else entirely.

Grouped Income Shares represent an interest in a semi-fixed group of leading Canadian and American industrial, public utility, and railroad companies. That is, Grouped Income Shares are based on a unit investment in 200 common shares of 30 successful companies. These 200 shares are held by the Toronto General Trusts Corp. Then, 2,000 Grouped Income Shares are issued, representing fractional portions of the block of 200 common shares in the 30 companies.

The price of Grouped Income Shares fluctuates in accordance with changes in market prices for the underlying common shares. Dividends of Grouped Income Shares depend on the amounts received in dividends from the 30 companies whose shares are held by Toronto General Trusts Corp. Thus, both dividends and value of Grouped Income Shares fluctuate.

The long-run success of an investment in the shares depends largely on the success attained by the 30 firms whose securities are held. These 30 companies have been eminently successful in the past. Whether this will be repeated in the future is, of course, uncertain.

Companies whose shares are held behind Grouped Income Shares are:

American Can	Woolworth Co.
American Smelting	Bell Telephone
American Tobacco B	Montreal Power
Borden Co.	Shawinigan
du Pont de Nemours	Amer. Gas & Elec.
General Electric	Amer. Tel. & Tel.
Int. Harvester	Cons. Gas of N. Y.
Johns-Manville	Elec. Bond & Share
National Biscuit	North American Co.
Otis Elevator	S. Calif. Edison
Sears Roebuck	United Gas Impr'm't
Stan. Oil of N. J.	Atchison, T. & S.F.Ry.
Union Carbide	C. P. R.
U. S. Steel	N. Y. Central Ry.
Westinghouse Elec.	Union Pacific Ry.

Of the stocks of these companies held for the benefit of owners of Grouped Income Shares, all or any can be eliminated from the portfolio. This has not been done, but allows a possible latitude for disposal of any stocks which seem unsatisfactory. It is not possible, however, for shares other than those of companies held in the portfolio to be acquired. Hence Grouped Income Shares is a semi-fixed trust which can sell what it has but cannot buy indiscriminately.

To get back to Independence Founders "trust" certificates. In making deposits, the investor is at first paying a large portion of his money to meet expenses. That is, a smaller portion of his deposit is invested in Grouped Income Shares than is the case as time goes on. Thus, it is important, if the investor is to benefit from the scheme, for him to be able to maintain his deposits.

The expenses involved arise from trustees' fees, commissions, and various charges in connection with issue of Independence Founders' certificates. There is also an indirect expense charge in connection with Grouped Income Shares. These are known as "loading charges" and correspond to office expenses and agent's commissions such as are charged (mostly in the early years) against life insurance policies.

You must remember that although you make fixed deposits with the Prudential Trust Co. under the scheme, your deposits are not invested in a fixed number of Grouped Income Shares. First, of course, the net amount of the deposit to be invested after expenses is lowest when expenses are being deducted. Then the number of Grouped Income Shares bought for you depends on the price of G.I.S. stock at the time each investment is made. Also, the income from the Grouped Income Shares will fluctuate in accordance with dividends paid by the 30 companies whose shares are held.

In brief, you are investing in hopes of industrial recovery in North America in adopting the Independence Founders plan to buy Grouped Income Shares. If your deposits are invested when prices of the G.I.S. shares are low, and recovery develops broadly, your certificate might increase in value over the period of its existence. If, however, you cease to deposit in the early years, your equity might be small. You could, of course, withdraw from the plan and take your portion of the Grouped Income Shares held by the Prudential Trust Co. as certificates or in cash. This might mean a loss if done early in the deposit period. If your deposits are invested in Grouped Income Shares when prices are rising, and then your certificate matures in a period of low stock prices, your deposits might not increase in value. In other words, it is not a plan for investment in fixed-income-bearing securities. It is a scheme for piecemeal investment in a group of common shares. The success of the Independence Founders and similar plans for the individual investor depend on these things:

1. Maintenance of deposits.
2. Price at which Grouped Income Shares are bought.
3. Price of Grouped Income Shares when the deposit period closes.
4. Success of the group of companies whose shares underlie Grouped Income Shares.

Municipal Bankers

Why has Municipal Bankers Corp. not paid any bond interest this year? What are the assets?

Municipal Bankers Corp. assets consist chiefly of second mortgages on Toronto real estate. The company's income is devoted largely to meeting taxes, first mortgage interest and improvement charges on the properties. There have been some small earnings, but it has been necessary to set them aside in reserve against possible losses. Although Municipal Bankers Corp. carries these second mortgages on its books at approximately the figures of four or five years ago, the actual value of the second mortgages is considerably less than at that time. All the company is able to do is hang on to the properties in hopes of improved real estate conditions.

Can. Terminal System

What is the position of my investment in bonds of Canadian Terminal System?

Canadian Terminal System is a holding company for a number of real estate subsidiaries, most of which are already in difficulty with their own first mortgages. Thus, the equities and junior securities held by Canadian Terminal System, and upon which it must depend for its revenue and outlook are in a distinctly unfavorable position. A consolidated balance sheet of Canadian Terminal System would show that there are substantial assets behind the bonds. These assets, however, are already subject to first mortgages issued by subsidiary companies, which are nearly all in difficulties. The position of your bonds is bad.

United Grain

I haven't seen anything on the results of United Grain Growers for 1934-35. Is bond interest still being covered?

Report of United Grain Growers for 1934-35 is not expected to show much improvement over that for 1933-34. It will appear in a few weeks. However, bond interest was covered 2.29 times last year, after depreciation, and was earned by a satisfactory margin in 1934-35.

Thayers Limited

I wonder if you would give me any information you have on Thayers Ltd.? I believe they operate just in Western Ontario. I am interested in getting any information available and will appreciate anything you do.

Thayers Ltd. distributes, wholesale and retail, gasoline, kerosene, and lubricating and fuel oils through a chain of 31 service stations in southwestern Ontario, and in the Toronto area. Main branches are at Chatham, Aylmer, St. Thomas, London, Ingersoll, Brantford, Oakville, Blenheim, and Toronto. The company services over 750 pumps having annual sales of approximately 4.5 million gallons of gasoline.

The capital consists of 9,550 preferred shares carrying cumulative dividend of $3.50 each per annum. There is also, 50,454 shares of common stock upon which 50 cents a share was paid in 1934, the only payments made to date. The preferred dividend has been maintained since the company's incorporation in 1928. In 1934 net profits amounted to $61,272. This compares with $62,410 in 1933. However, in 1933 the company deducted over $50,000 for depreciation and some $7,500 for tax reserves from earnings. These deductions were not made in 1934 which, therefore, was not really as good a year as 1933. Sales and earnings are reported to be showing an increase in the current year. The company's working capital position is not particularly strong, having deteriorated materially in 1934.

Union Gas

Would you consider Union Gas Co. common stock a good investment for a hold of some years?

Union Gas Co. has had continuous improvement for some years in its financial position. There is still a considerable distance to travel before dividends on the common stock can be considered permanent. Something has been paid already and, if the company puts its banking indebtedness on a permanent funded debt basis, the prospects of the common would improve. Earnings in 1935 are much greater than in 1934 and earnings assets are expanding in the natural gas department.

Brewing Corp.

What are the prospects for an investment in preferred stock of Brewing Corp.? This would be part of a diversified list.

Officers of the company report a good August. Summer earnings have fallen short of expectations, however, and so there is no likelihood of the dividend going over the present rate of $1.50 a share, half the full rate. Apparently another year will be needed to show if continued improvement is likely.

Saskatchewan Bonds

Are Saskatchewan bonds satisfactory investments in view of conditions in the province?

Saskatchewan is heavily indebted to the Dominion Government. It has been following a programme of funding for the long term these short term debts which the province incurred to keep from default in 1932. Agricultural conditions in the province have improved greatly and the budget position is becoming better. It is likely to be some time, however, before the province's financial affairs are placed in a satisfactory position. Saskatchewan has maintained the all-important "willingness to pay."

Willson Stationers

I hold Willson Stationers and Envelopes first preferred. Why can't they pay a dividend on the stock?

Willson Stationers and Envelopes earned slightly over $2 a share on the first preferred stock in the 1934-35 year, the first profits on the shares since 1931. Dividends on the shares will not be in sight, however, for some time. The company is carrying a deficit of $114,000, although it has ample working capital. Before a preferred dividend can be paid, it will be necessary to earn it, and then also it would be necessary to wipe off the deficit either by recapitalizing or accumulating profits.

United Dairies

Is United Dairies likely to resume full payment of preferred dividends?

United Dairies, Calgary, has been unable to earn or pay its full preferred dividend. The report for the year ended June 30, 1935, has not yet appeared. It appears, however, that you will have to wait some time before there are prospects of payment of the full dividend.

Can.-America Trust

What is the nature of Canada-America Trust shares? Why has the dividend decreased?

Canada-American Trust shares represent a fractional investment in a group of leading Canadian and American common stocks, held for the benefit of shareholders by the Royal Trust Co. Because dividends on the underlying shares have been decreased, those on the Canada-America Trust shares have also declined. The trust has been able to earn and pay dividends regularly. The future amount of dividends and prospects for increase in market value of the shares depend upon the success of the leading group of companies whose shares are held. It is a broad investment in recovery in North America.

Manitoba Bonds

Please enlighten me on the position of Manitoba bonds.

Manitoba is balancing its budget, without inclusion, however, of expenditures on relief which are substantial. Since crops are less favorable this year in Manitoba than last, the improvement in the budget may not be maintained. However, the provincial government has signified its intention of playing fair with bondholders so that its credit has been well maintained.

International Utilities

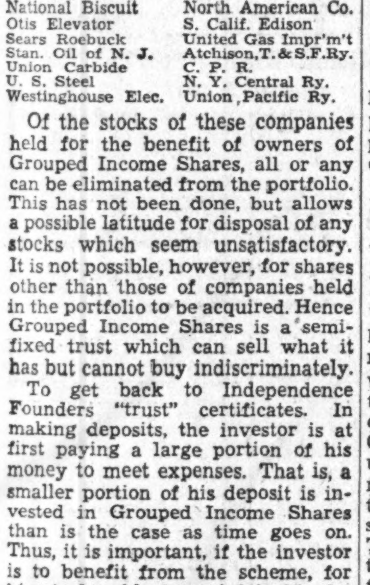
May I ask for information as to how International Utilities is faring? I have held the stock for a long time now.

International Utilities has been doing poorly and is not likely to show much improvement in the near future. There is no immediate or even early prospect of dividends on the shares. Recent passage of adverse utilities legislation in the United States will not be of any assistance to the company and may do it considerable damage.

Can. General Inv'ts

Is Canadian General Securities in a sound earning position? Are the shares valued reasonably?

Canadian General Investments is earning and paying regular dividends. The company holds a widely diversified list of securities, chiefly Canadian common shares, preferred shares and debentures, so that the investment represents an interest in industrial recovery, particularly in Canada. In the last two years, market value of securities has increased materially. The trust is now trying to earn more money, rather than to increase the value of its portfolio. The common shares are selling considerably below the market value of the securities in the portfolio.



FOR 80 YEARS
"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.

FOR 80 YEARS
"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.

FOR 80 YEARS
"CANADA PERMANENT" has been a growing asset to Canada, and the

SAFE DEPOSITORY FOR SAVINGS

CANADA PERMANENT MORTGAGE CORPORATION
Head Office: 320 Bay St., Toronto
Combined Assets Exceed $100,000,000

Continental Can Acquires Control of Whittall Can

Rapidly Expanding American Producer Offer of $8.50 a Share Accepted by Majority-Owners of Common

From Our Own Correspondent

MONTREAL. — Control of the common stock of Whittall Can Co. has been purchased at $8.50 a share by the Continental Can Co., of New York city. A condition of the sale was that Continental Can, one of the largest units in the can business in the United States, would make a similar offer to buy out all other common shareholders at the same price.

It is understood that the shares bought by Continental consisted of those held by the Whittall family and amounting in all to about 100,000 shares, out of a total issue outstanding of 130,000 shares. In addition the Whittall Can has outstanding $1.9 millions of preferred stock, which will be left undisturbed for the moment.

By means of this deal, Continental Can also acquires control of a number of Canadian canning companies, of which the most important is the Associated Quality Canners. The latter has not been doing particularly well in late years and at the end of last February had bank loans of $1.6 millions, of which $550,000 was guaranteed by Whittall Can.

Change in Directors

Consequent upon the change in control a new board of directors has been elected. The new slate follows: Chairman of the board, Carle C. Conway, of New York, who is chairman of the board of Continental Can. Co., Inc.; president, Oscar C. Huffman, of New York, who is president of Continental Can Co., Inc.; executive vice-president, Walter M. Tomkins, of New York; vice-president in charge of manufacture, David S. Whittall, of Montreal; other directors are J. Frederick Hartlieb, of New York, who is vice-president of Continental Can Co., Inc.; Robert Barlow, of London, Eng., who is managing director of Metal Box, Ltd., of London, Eng.; J. A. Mann, K.C., of Montreal; Frank A. Whittall, of Montreal, in charge of sales, and Col. E. Gerald Hanson of Montreal. Secretary-treasurer is Donald H. Macfarlane.

Control Many Properties

Through Whittall, Continental Can secured control of a manufacturing plant in Montreal with a capacity of 100 million units a year. This output is largely marketed through the associated canning companies which operate packing plants in Ontario and Quebec: Cottam, McGregor, Harrow, Essex, Hamilton, Deseronto, Bloomfield, New Liskeard, Brighton, Trenton, and Wellington, Ont., and Ste. Martine, P.Q. In addition a jam manufacturing plant is operated at Hamilton.

Another important outlet is with Sherwin Williams Co. of Canada. In 1932 Whittall Can secured a contract to supply this company with its entire can requirements, which previously were supplied by the company's own can plant.

Second Foreign Plant

Acquisition of Whittall Can represents the second venture of Continental Can outside of the United States, the other foreign subsidiary being in Havana, Cuba.

Continental ranks second in the United States can industry. It engages in export and domestic trade and last year had gross sales of around $19.7 millions. Operations were carried on through 34 can manufacturing and can machinery manufacturing units located across the continent. The company employed nearly 12,000 people last year in its plants and sales agencies.

Strong Financial Position

Financially Continental Can holds a strong position and its record of growth during the depression years has been outstanding in American industry. At the end of last year the company reported assets of $89.4 millions, of which $37.6 millions represented working capital.

Net profits available for dividends last year totalled $10.7 millions, compared with 2,665,191 shares of $20 par value each outstanding. This was the largest net income ever reported by the company and compares with the previous record of $8.9 millions in 1929.

House To Let

C. N. R. Successfully Breaks $175,250 Lease on Residence for the Late Sir Henry Thornton

From Our Own Correspondent

MONTREAL.—Another chapter has been written in the history of the late Sir Henry Thornton's regime as head of the Canadian National Railways. Five years ago the C.N.R. leased the Montreal property, formerly owned by F. N. Beardmore, to be used as a residence for Sir Henry at a 10-year rental of $175,250. Mr. Justice Albert de Lorimier, of the Supreme Court, has ruled that the lease was illegal.

For several years the Canadian National paid the rental on the property. Payments were allowed to lapse and the Montreal Trust Co. to which rights in the lease had been transferred, sued to recover $7,862 in unpaid rental installments.

Decary Helped Thornton

Prior to 1930 Sir Henry had been renting the Beardmore house at a nominal figure. He was advised that the property was to be sold and he would have to vacate. He then acquired an option on the property on the authority of a resolution passed by the executive of the board of directors and enquired of E. R. Decary, then a director, if he could make arrangements to finance the purchase.

According to the defense filed by the C.N.R. Decary approached the Montreal Trust Co. to enquire whether the company would make the necessary loan by transfer of the lease to the C.N.R. and by the personal guarantee of Decary. The company agreed to make the loan.

Beardmore Got $185,000

Beardmore sold the property for $175,000 and the furnishings for another $10,000 to Georges Henri Seguin, a notary and member of Decary's notarial firm. On the same date as he acquired the property, Seguin leased it to the C.N.R. for 10 years. The Montreal Trust Co. then lent $185,000 to Seguin, the latter transferring his rights in the lease to the trust company.

Decary Interested Party

In delivering judgment, His Lordship declared that Ernest R. Decary, then director of the C.N.R., had acquired the property under a prete-nom and then leased it to the railway company, a thing he was forbidden to do by law as he was an interested party in the contract.

In defending the action, the C.N.R. stated that remuneration of Sir Henry was fixed at $75,000 a year, with the rider that there were to be no "extra fees or remuneration of any kind."

It was contended that the trust company entered into an agreement with Decary whereby it was understood that Decary should, at the termination of the lease, of the residence, be the owner of the property, at a cost to him of $135,000, when the property had cost $185,000.

Buys Back Land At Half Price

"It was just a game he used to get the land cheaper and he succeeded," Counsel acting for a Daysland district farmer said when the farmer was successful in purchasing for $1,000 in cash the land he had turned back to his creditors.

The $1,000 was just half the price the farmer paid originally for the land. He lost the property but appeared before the farm review board under the Farmers' Creditors Arrangement Act for a further scaling down of this and other debts. The farmer was unable to keep up payments so he returned it to its original owners who won a judgment a year ago against him for $1,268 taxes.

Then the land was put up for sale and the former owner appeared with the $1,000 in cash in his hand, although he had not paid the judgment against him.

He bought the land.

Canada Dry "Spur" In Larger Bottles

In a recent issue of The Financial Post publicity was given to the challenge to the supremacy of Coca-Cola in its own field involved in the entry of Canada Dry Ginger Ale, Inc. into the small bottle beverage field by introducing its new "Spur" line to United States drinkers. This merchandising move is not being tried in Canada, it is understood.

Details as to the new drink and methods of sale were drawn from American sources of information which now make two corrections as follows: "While Spur comes in 8-ounce bottles and sells to dealers at 60 cents a case of 24 bottles, Coca-Cola's small bottle holds 6 ounces and sells to dealers for 80 cents a case of 24, so that the rivals are not exactly matched on an 8-ounce and 60 cent basis as was indicated."

July Fisheries Lower Both Volume and Value

The July catch of sea and shell fish amounted to slightly more than one million hundredweights, valued at $2,555,020. In July, 1934, the catch was 100,000 hundredweights heavier and $123,500 more valuable. The British Columbia catch was considerably higher this year, but the value was lower due to a decrease in both volume and value of the salmon catch.

Mining Enquiries

Darwin Gold Mines

From information available what are the possibilities of Darwin Gold Mines?

Darwin Gold Mines was formed to take over the assets of United Algoma Mines in the Michipicoten mining area of Ontario. Development work has been businesslike, results while not startling, at least encouraging and the financing steps sound. During the last year the company reports definite success in developing ore and it is now the company's intention to recondition the milling unit now on the property and enter production.

Granite-Poorman

I bought some Granite Poorman stock when it was selling at 50 cents and 75 cents a share. I have heard nothing for some time. I would be glad if you could tell me anything about it, and what I should do with my stock.

Granite-Poorman Gold Mine, incorporated with a Dominion charter in 1928 has been inactive for a number of years and we see no reason to believe that stock in this company has any immediate value. Results obtained from work done were very inconclusive. The last address we have on our files for this company is—c/o Grossman, Holland & Company, Stock Exchange Building, Vancouver, B.C.

In view of the circumstances surrounding this company, we can hardly see that you have any course except to hang on to your stock in the hope that some revival movement is started.

MacLaren Porcupine

A brief summary of the outlook for MacLaren Porcupine Mines would be appreciated.

MacLaren Porcupine Mines is at present treating selected ore in the company's small Kennedy Nutt Milling Unit. In the meantime the company plans to sink the present 60 ft. shaft to a depth of 250 ft. and open up new levels. To finance this work, officials have found it necessary to offer 200,000 additional shares to the public.

On the whole, results from this operation have been rather spotty and it is hoped that the report of government engineers who examined the property this summer and who will make their findings public in the near future, will clarify the situation. In the meantime there is little to justify placing this proposition in any other but the speculative class.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS 3½% ON DEBENTURES
Archibald McPherson, President. T. H. Main, Manager.

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15 King Street West, Toronto

Rackets

Mourning Equipment

THE vital statistics column in the daily press furnishes the ground work for many of the worst types of rackets, that is from the emotional point of view. Widows and orphans are often robbed even of pittances. A good deal of money saved through the medium of insurance often is poured into some wildcat scheme promoted by a smooth-talking and high-pressure salesman. The death of the head of the house is usually the signal for such men to get busy.

Recently in many of the larger towns and cities of Canada, particularly in the eastern provinces, a very profitable scheme has been worked in connection with mourning cards. Following the notice of death of some wage earned in the paper, the widow receives a large batch of these cards with her husband's name suitably engraved in the centre and some routine announcement to the effect that the person whose name is inscribed on the card has passed away. Some of these cards may be used by the widow to inform friends and relatives of the death and sometimes she is pestered by a salesman who tries to sell her a few hundred more. In any case a bill is presented, though these were never ordered and when not used, there is no claim whatever on the recipient.

Generally a stiff price is asked, though the cards are very cheaply put out. With his cards already printed, the schemer simply glances through his morning paper, checks off any likely prospects, has the name of these set up and printed on the blank spaces. The cost of the job would be only a few cents in any case and everything between that amount and what could be extracted from the widow would be clear profit.

Bevil Granville Elected Member Montreal Curb

From Our Own Correspondent

MONTREAL. — Bevil Granville, partner in the firm of Kippen and Co., has been elected a member of the Montreal Curb Market. He will continue his association with Kippen and Co.

Said Mr. Picobac

Mr. Picobac sat on a log talking to his dog.

"You think you know it all, don't you, Carlo? But you *don't* know it all. You don't know the half of it."

As preparation for further discourse, Mr. Picobac leisurely and methodically opened the flap of his new seal-tight Picobac pouch and proceeded to fill his pipe.

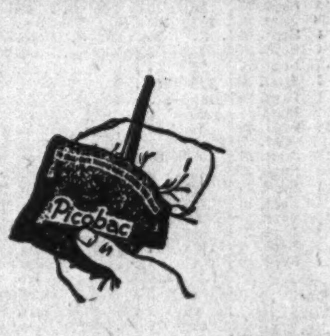
"It's nice settin' here in the cool and quiet, listening to the falling leaves, isn't it, Carlo? It's nice to smell the woods in the fall. It's nice to mooch along beside the stump fences hunting quail.

"But I'm telling you something you don't know, Carlo. You listen to me. The nicest part of it all is settin' down here on this log with a pipe full of Picobac tobacco, having a mild ... cool ... sweet smoke.

"It's good for making cigarettes, too."

:: :: ::

Picobac is the pick of Canada's Burley crop grown in sunny Southern Ontario, cured to mellow perfection and matured for three years in wood. Sold wherever tobacco is sold.



NEW SEAL TIGHT POUCH 15¢
½-POUND "LOK-TOP" TIN 60¢
ALSO PACKED IN HANDY POCKET TINS.

"IT DOES TASTE GOOD IN A PIPE!"
Imperial Tobacco Company of Canada, Limited
Picobac
GROWN IN SUNNY, SOUTHERN ONTARIO

GENERAL MOTORS PRODUCTS

GENERAL MOTORS OF CANADA, LTD.

In 1908, General Motors Co. of New Jersey was organized with a capital of $12,500,000 compared to $275,650,000, which is the current working capital of the present parent Company and its subsidiaries. Buick and Oldsmobile were acquired in 1908, Oakland and Cadillac in 1909, Chevrolet being started by the company in 1911. In 1907, the McLaughlin Motor Car Co. Ltd., was organized in Oshawa to become in 1918 part of General Motors of Canada, Limited.

Advertising of this company appears in —

Maclean's
Canada's National Magazine

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Established 1907
CORPORATION SECURITIES
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FURNISHED HOUSES in NASSAU, BAHAMAS
World's Finest Winter Climate
Now renting for the Winter season. Variety of small and large houses, some with delightful beaches, in an interesting range of prices. Excellent fishing. Explanatory booklet on request.
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Pitblado, Hoskin, Turner, McEwen and Alsaker
Barristers, Solicitors, Etc.
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Makers of Well Gummed Envelopes
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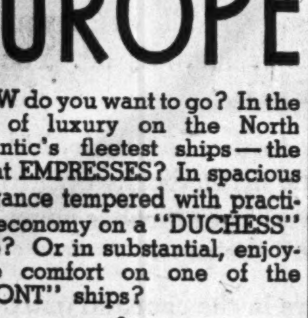
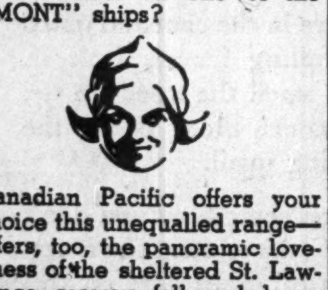
Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
230 Rooms

TO EUROPE

HOW do you want to go? In the lap of luxury on the North Atlantic's fleetest ships—the great EMPRESSES? In spacious elegance tempered with practical economy on a "DUCHESS" ship? Or in substantial, enjoyable comfort on one of the "MONT" ships?



Canadian Pacific offers your choice this unequalled range—offers, too, the panoramic loveliness of the sheltered St. Lawrence seaway followed by a few swift days on the open sea—the swiftest, most picturesque road to Europe.



Whatever your budget, you'll find the trip to fit it in Canadian Pacific ships. Ask your travel agent for complete details, or J. C. Patteson, Steamship General Agent, Canadian Pacific Building, Toronto.

Canadian Pacific
World's Greatest Travel System
1762

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove Works	81¼c	Sept. 16	Aug. 31
Do., pref.	$1.75	Oct. 1	Sept. 15
Amer. Cyanamid, A	10c	Oct. 1	Sept. 14
Do., B	10c	Oct. 1	Sept. 14
Assoc. Brewer. pf.	$1.75	Oct. 1	Sept. 15
Bell Tele. c.	$1.50	Oct. 15	Sept. 23
Bk. of N. Scotia	$3	Oct. 1	Sept. 16
Br. Amer. Assur. c.	75c	Oct. 1	Sept. 25
Brantford Cord. pf.	50c	Oct. 15	Sept. 20
Br. Amer. Oil c.	20c	Oct. 1	Sept. 17
Bruck Silk	30c	Oct. 15	Sept. 14
Brew. Corp. pf.	37½c	Oct. 15	Sept. 30
Braz. T. L. & P. pf.	$1.50	Oct. 1	Sept. 14
B. C. Elec P. & G.	$1.50	Oct. 1	Sept. 20
B.C. Power c.	38c	Oct. 15	Sept. 30
Building Prod. A	25c	Oct. 1	Sept. 18
Do., B	25c	Oct. 1	Sept. 18
Calgary Power c.	$1.50	Oct. 1	Sept. 14
Can. Bread pf.	‡$1	Oct. 1	Sept. 20
Can. Canners 1 pf.	$1.50	Oct. 1	Sept. 14
Can. Celanese	$1.75	Sept. 30	Sept. 18
Can. Cottons c.	$1.00	Oct. 1	Sept. 13
Do., pfd.	$1.50	Oct. 1	Sept. 13
Can. Fairb'ks-M. p.	$1.50	Oct. 15	Sept. 30
Can. Gen. Elec. c.	75c	Oct. 1	Sept. 14
Do., pfd.	87½c	Oct. 1	Sept. 14
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Iron Found. pf.	$1.50	Nov. 15	Oct. 31
Candn. Oil Cos. c.	12½c	Nov. 15	Nov. 1
Do., pfd.	$2	Oct. 1	Sept. 20
Can. Life c.	$5	Oct. 1	Sept. 30
Can. Packers c.	75c	Oct. 1	Sept. 14
Do., pfd.	$1.75	Oct. 1	Sept. 14
Can. Perm. Mtge.	$2	Oct. 1	Sept. 14
Can. Starch pf.	$3.50	......	......
Can. N. Pwr. c.	40c	Oct. 25	Oct. 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Canada Wirebound	25c	Oct. 1	Sept. 14
Can. Forn. Inv. c.	40c	Oct. 1	Sept. 20
Do., pf.	$2	Oct. 1	Sept. 20
Celanese Corp.	$1.75	Oct. 1	Sept. 18
Cen. Can. Loan c.	$2	Oct. 1	Sept. 20
Cons. Bakeries	20c	Oct. 1	Sept. 19
Confed. Life	$1	Sept. 30	Sept. 25
Consumers' Gas c.	$2.50	Oct. 1	Sept. 14
Crown Trust c.	$1.75	Oct. 1	Sept. 30
Crown Life	2½%	Oct. 1	Sept. 30
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Glass c.	$1.25	Oct. 1	Sept. 16
Do., pfd.	$1.75	Oct. 1	Sept. 16
Dom. Rubber p.	$1.75	Sept. 30	Sept. 28
Dom. Textile c.	$1.25	Oct. 1	Sept. 16
Do., pfd.	$1.75	Oct. 15	Sept. 30
East. Can. Sav. c.	$1.50	Oct. 1	Sept. 20
East. Tr. c.	$2	Oct. 1	Sept. 20
Economic Inv. Tr. c.	25c	Oct. 1	Sept. 20
Fanny Farmer c.	12½c	Oct. 1	Sept. 14
Gen. Trust of C. pf.	$1.50	Oct. 1	Sept. 28
Goodyear Tire c.	†62c	Oct. 1	Sept. 14
Do., pfd.	†62½c	Oct. 1	Sept. 14
Great Lakes Pr. pf.	$1.75	Oct. 15	......
Hamilton Cot. pf.	50c	Oct. 1	Sept. 14
Hamilton Un. Th. pf.	$1	Sept. 30	Sept. 14
Hinde & Dauch c.	12½c	Oct. 1	Sept. 14
Imperial Bank c.	$2.50	Nov. 1	Sept. 30
Imperial Tob. p.	8¾c	Sept. 30	Sept. 13
Inter-State Ry. A	28c	Oct. 1	Sept. 15
Int. Nickel c. U.S.	20c	Sept. 30	Aug. 31
Do., pfd. U.S.	$1.75	Nov. 1	Oct. 2
Do., U.S.	8¼c	Nov. 1	Oct. 2
Invest. Found'n. p.	37c	Oct. 15	Sept. 30
Do., on arrears	13c	Oct. 15	Sept. 30
Jamaica P. Ser. c.	37½c	Oct. 1	Sept. 18
Do., pfd.	$1.75	Oct. 1	Sept. 18
Landed Banking c.	$1.25	Oct. 1	Sept. 14
London Life Ins. p.	$2	Sept. 30	Sept. 25
Maple L. Gardens	†35c	Oct. 15	Oct. 1
Marcus Loew's pf.	$1.75	Sept. 30	Sept. 20
McColl Front. pf.	$1.50	Oct. 15	Sept. 30
J. S. Mitchell p.	$1.75	Oct. 1	Sept. 16
Monarch Knit. pf.	$1.75	Oct. 1	Sept. 14
McLennan, McFeeley & Prior, A	10c	Sept. 30	Sept. 23
Do., B	10c	Sept. 30	Sept. 23
Moore Corp. A pf.	*$1.75	Oct. 1	Sept. 15
Do., B pfd.	*$1.75	Oct. 1	Sept. 15
Mtl. L., H. & P. c.	37c	Oct. 31	Sept. 30
Mtl. Telegraph c.	80c	Oct. 15	Sept. 30
Nat. Breweries c.	40c	Oct. 1	Sept. 16
Do., pf.	44c	Oct. 1	Sept. 16
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Nat. Grocers, pf.	$1.75	Oct. 1	Sept. 21
Nat. Life	62½c	Oct. 1	Sept. 14
Nat. Trust c.	$2	Oct. 1	Sept. 20
Niag. Wire Mfg. pf.	75c	Oct. 1	Sept. 21
New England Pr. pf.	$1	Oct. 1	Sept. 17
Do., pf.	33½c	Oct. 1	Sept. 17
Ottawa Traction c.	50c	Oct. 1	Sept. 8
Ogilvie Flour M. c.	$2	Oct. 1	Sept. 19
Ont. Loan & Deb. c.	$1.50	Oct. 1	Sept. 16
Page-Hersey c.	75c	Oct. 1	Sept. 14
Pressed Metals	12½c	Oct. 1	Sept. 16
Pioneer Gold	20c	Oct. 1	Sept. 3
Porto Rico Pwr.	$1.75	Oct. 1	Sept. 14
Pwr. Corp. of C. pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 13
Do., extra	1c	Oct. 15	Sept. 13
Riverside Silk, A	25c	Oct. 1	Sept. 15
Do., on arrears	25c	Oct. 1	Sept. 15
Reno Gold	3c	Oct. 1	Aug. 31
Rosedale G. Mines c.	1c	Oct. 1	Sept. 24
Russell Motor pfd.	$1.75	Nov. 1	Oct. 16
Do., on arrears	$1	Nov. 1	Oct. 16
Sherwin-Williams p.	$1.75	Oct. 1	Sept. 15
South. C. Pwr. pf.	$1.50	Oct. 15	Sept. 20
Sylvanite G.	5c	Sept. 30	Aug. 24
Stand. Fuel pf.	$1.62½	Oct. 1	Sept. 16
Tamblyn Ltd. pfd.	$1.75	Oct. 1	Sept. 21
Tip Top Tailors	$1.75	Oct. 1	Sept. 16
Teck-Hughes c.	10c	Oct. 1	Sept. 10
Toronto Mort. c.	$1.50	Oct. 1	Sept. 14
Tor. Gen. Trust c.	$1	Oct. 1	Sept. 21
Tuckett Tob. pf.	$1.75	Oct. 15	Sept. 30
Un. Gold Equities	2½c	Oct. 15	Oct. 5
United Secur. c.	50c	Oct. 15	Sept. 26
Weston, Geo. Ltd. c.	15c	Oct. 1	Sept. 20
W. Kootenay Pr. pf.	$1.75	Oct. 1	Sept. 20
W.-Hargreaves c.	10c	Oct. 1	Sept. 10
Western Groc., c.	50c	Oct. 15	Sept. 20
Do., pfd.	$1.75	Oct. 15	Sept. 30
Western Assur. c.	60c	Oct. 1	Sept. 5
Whittall Can. pfd.■	$1.62½	Oct. 1	Sept. 14

†Initial. *U. S. funds.
■For quarter ended Dec. 31, 1933.
‡Interim.

Public Utility Earnings

Brazilian Traction, Light & Power

August:	1935 $	1934 $	Decrease $
Gross earn.	2,561,896	2,722,061	160,165
Oper. exp.	1,168,469	1,254,540	86,071
Net earn.	1,393,427	1,467,521	74,094
Eight Months:			Increase
Gross earn.	20,340,175	19,832,323	507,852
Net earn.	10,972,598	10,261,953	710,645

Northern Power Corp.

August:	1935 $	1934 $	Increase $
Gross earn.	373,041	350,199	22,842
Oper. exp.	141,729	127,338	14,391
	231,312	222,861	8,451
Eight Months:			
Gross earn.	2,899,341	2,693,557	205,784
Oper. exp.	1,079,049	917,280	161,769
	1,820,292	1,776,277	44,015

Canada Northern Power

August:	1935 $	1934 $
Gross revenue	373,041	350,199
Oper. expenses	141,729	127,338
Net earnings	231,312	222,861
Eight Mos. end. Aug. 31:		
Gross revenue	2,899,341	2,693,557
Oper. expenses	1,079,049	917,280
Net earnings	1,820,292	1,776,277

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 23

Range 1935 High	Low	Divd. Rate in $	Y'ld in % Sept. 21		Sales	Close Sept. 16 (last)	Week Ending (or Sept. 23) High	Low	Close
				A					
2.00	.55	.	...	Abitibi	1886	1.00	1.00	.70	.80
9¼	3	.	...	Do. pref. 6%	230	4¼	4½	4	4¼
6¼	3	.	...	Do. cert. dep.	130	3½	4¼	3½	3¾
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	....	6	..	..	..
45	32	3.25	8	Do. pref.	....	38	..	..	..
9½	7½	40+20c	6.8	Agnew Surp.	100	8½	8½	8½	8½
103½	96	7	7	Do. pref.	....	100	..	..	..
3½	1	.	...	Alta. Pac. Gr.	5	2	2	2	2
29	15	.	...	Do. pref.	135	18	18	16	17½
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric	....	2	..	..	..
18	15	.	...	Do. pref.	....	15	..	..	..
22½	16	.	...	Amer. Cyn. B.	....	24½	..	..	..
30¾	25	.	...	Amer. Celanese	....	25	..	..	..
17½	6	.	...	Asbestos v. t.	456	14½	15	14	14
13¾	9	1	...	Assoc. Brew.	240	10	9½	9	9
110	104	7	6.3	Do. pref.	15	108½	110	110	110
24½	3	.	...	Assoc. Can.	670	3	4	2	3
105	105	7	6.7	Atlan. Sugar, p	....	105	..	..	..
				B					
66½	51½	2.52	4.8	Bank of Canada	226	52	53	51½	52½
132	126	8	6.2	Bk. Can. Nat.	15	127	128½	128	128
204	140	8	5	Bk. Montreal	197	166	165	155	157
305	246	12	4.7	Bk. N. Scotia	107	252	254	246	246
235	194	10	5.1	Bk. Toronto	25	199	198	194	194
11	10	50c	...	Barcelona	....	10	..	..	..
8¾	4½	.	...	Bathurst Pr.	30310	8¾	8¾	7½	8
2.75	1.00	.	...	Do. (B)	250	2.50	2.75	2.00	2.25
3.00	.50	.	...	Bawlf Grain	....	.90	..	..	..
40	18	.	...	Do. pref.	45	22	18	18	18
3	3	.	...	Beath & Sons	....	3	..	..	..
15	8½	.	...	Beatty Bros. A.	10	9	8½	8½	8½
95	85	6	6.4	Do. pref.	....	93	..	..	..
7½	2½	.	...	Beauharnois	545	3½	3¾	3½	3¾
98¾	85	4	4.2	Belding Cort.	10	95¾	95	95	95
120½	116	7	5.8	Do. pref.	....	120½	..	..	..
135¾	118	6	4.5	Bell Telephone	814	132	132	130½	130¾
18	13	1.50	...	Biltmore Hats	80	18	18½	18½	18½
110	97½	7	6.6	Do. pref.	....	105½	..	..	..
4	3½	.	...	Bissell, T. E.	....	4	..	..	..
35	25	.	...	Do. pref.	5	30	35	35	35
3½	2	.	...	Blue Ribbon	5	2	2	2	2
29	19	2	9.3	Do. pref.	5	21½	22½	22½	22½
30	27½	2	6.8	Brant. Cord. pf.	177	29¼	30	29½	29½
10¾	7½	.	...	Brazilian Tr.	6849	7½	8¼	7½	7¾
1.10	.50	.	...	Brew. & Distil.	16110	.85	1.10	.90	.95
4½	1¼	.	...	Brewing Corp.	3185	2	2½	1¾	1¾
22½	12	1.50	12.2	Do. pref.	1642	12	13	12	12
14	11	30c	2.7	Bright, T. G.	....	11	..	..	..
77½	75	6	8	Do. pref.	....	72	..	..	..
16¾	13¾	80c	5.2	Brit. Amer. Oil	5257	16	16	15	15¾
1.75	.55	.	...	B. C. Packers	1040	.75	.90	.60	.60
18	13	.	...	Do. pref.	240	13	16	15	15
30½	21	1.50	6.3	B. C. Power A.	1195	25	25½	23½	23½
5	2	.	...	Do. (B)	75	3½	3¾	3½	3½
18½	14¾	1.20	7	Bruck S. Mills.	7625	17½	18¾	17	17½
34½	26¾	1	3.4	Building Prod.	650	30½	29¾	28¾	28¾
35½	29¾	2	5.7	Burt, F. N.	160	35½	34¾	34½	34½
				C					
84½	80	6	7.5	Calgary pr.	....	80	..	..	..
5½	2	.	...	Canada Bread	632	3¾	4	3½	3½
85	63	.	...	Do. pref. (A)	136	87½	90½	87½	89
30	17	.	...	Do. pref. (B)	143	28	29	25	25
9	5½	.	...	Canada Bud	735	6½	6½	5½	6
8½	5¾	.	...	Canada Cement	1394	6	6	5½	5¾
64½	51	.	...	Do. pref.	493	54	54	52	52
60½	55	1.50	2.7	Can. & D Sugar	1035	55	55¾	55½	55½
b16¾	8½	40c	4.3	Canada Dry	4100	9¾	9½	8½	9½
7	2	.	...	Can. Forg. (A)	....	2	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
38	18	.	...	Canada Iron	....	30	..	..	..
55	50	3	5.9	Do. pref.	....	51	..	..	..
450	450	20	4.4	Canada Life	....	450	..	..	..
35	29	1.50	4.7	Can. Malting	1226	32½	32½	31½	31¾
22½	17½	1.20	5.8	Can. Nor. Pr.	532	20½	20¾	20	20¾
107	98½	7	6.6	Do. pref.	80	104½	106	106	106
59½	50	75c	6.5	Can. Pack.	530	60	59½	58	59
115	110	7	...	Do. pref.	1470	111	111	110	110¾
75	60	.	...	Can. Paper, pf.	....	65	..	..	..
.05	.05	.	...	Can. Paving	....	.05	..	..	..
3¾	2	.	...	Do. pref.	....	3	..	..	..
150	125	8	6.3	Can. Perman.	110	131	130	124	125
2¾	1	.	...	Can. Steamsh's.	30	1¾	1¾	1¾	1¾
11¾	6	.	...	Do. pref.	200	7	7½	7½	7½
29	24	1.60	6.5	Can. Vinegars	1840	26½	26¾	24	25
20	18	.	...	Can. W. Cable.	....	18	..	..	..
8	4½	.	...	Do. (B)	20	4½	4½	4½	4½
1	1	.	...	Can. Bakeries	....	..	..	..	..
20	13	.	...	Do. pref.	231	15	20	14½	19
169½	130	8	6	Can. Bk. Com.	293	133	134	130	130
31½	21	60	1.9	Can. Bronze	150	31	30½	30	30
115	110	7	6.2	Do. pref.	90	114	117	112	112
6¾	3½	.	...	Can. Canners	160	3½	3¾	3½	3½
94	75	6	7.6	Do. 1st pfd.	62	78½	79	78	78½
9¾	4½	30c	6	Do. 2nd pfd.	20	5	5	4¾	4¾
8¾	4¾	.	...	Can. Car & Fd'y	3723	6	6	4¾	5
17	11	.	...	Do. pref.	492	12	12	11	11
24½	18½	.	...	Can. Celanese	735	21¾	21¾	20½	20½
120	100	7	5.9	Do. pref.	314	119	119	117	117
20½	18	.	...	Do. Rights	35	19	19	19	19
32	29	2	6.9	Can. Convert.	15	29	29	29	29
66	39	4	10	Can. Cottons	5	40	40	40	40
105	95	6	6.3	Do. pref.	60	96½	95	95	95
30	19½	75c	...	Can. Dredge	2908	29½	32	30	30¾
107½	106	7	6.5	Do. pref.	66	106	107½	107½	107½
85	85	6	7	Can. Fairb. pf.	....	85	..	..	..
30	18	1.60	8	Can. For. Inv.	70	20	20	20	20
107½	103	8	7.4	Do. pref.	....	107	..	..	..
159½	145	3	2	Can. Gen. Elec.	....	145	..	..	..
64½	58½	3.50	5.8	Do. pref.	566	60	70	59	60
82½	37	6	13.3	Can. Hyd. El. p.	581	50	49	44½	44½
10¾	6¾	.	...	Can. Ind. Alc.	6980	8¾	8¾	7½	8
9¾	6	.	...	Do. (B)	750	7¾	7½	6¾	7
198½	178½	4	2.1	Can. Indust. B.	....	193	..	..	..
160	148	7	4.4	Do. pref.	....	158½	..	..	..
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
25	20	.	...	Do. pref.	....	25	..	..	..
30	21	1	4.7	Can. Lt. & Pr.	26	25½	21	21	21
4	2	.	...	Can. Locomo.	35	3	2¾	2¾	2¾
b2¾	1	.	...	Can. Marconi	2105	1¾	1¾	1½	1¾
15	11	50c	4	Canadian Oil	295	11½	11¾	11¾	11¾
127	113	8	6.6	Do. pref.	55	120	121½	120	120
13¾	9¼	.	...	Can. Pacific	6424	10½	10¾	9¾	9¾
.15	.10	.	...	C. Pr. & Pa Inv	....	.10	..	..	..
4½	3½	.	...	Do. pref.	....	3½	..	..	..
1.50	1.00	.	...	Can. Vickers	....	1.25	..	..	..
16	6½	.	...	Do. pref.	....	8	..	..	..
6	3½	20c	5.7	Can. Wineries	145	3½	4	3½	4
17¾	15	25c▲	...	Can. Wire Box	220	17½	17¾	17½	17¾
17	9	.	...	Catelli Mac (A)	....	14½	..	..	..
2½	1½	.	...	Do. (B)	....	3¾	..	..	..
‡245	245	8	...	Cent. Can. L'n.	....	..	..	..	..
7¾	6¾	60c	8.3	Champ. Oil, pf.	700	6¾	6¾	6¾	6¾
2.35	80	.	...	Chem. Research	3185	.90	.92	.80	.80
2½	1½	.	...	City Gas & Elec	....	1½	..	..	..
.45	.20	.	...	Claude Neon	1700	.40	.45	.40	.45
9¾	6	.	...	Cockshutt Plow	725	8	8	7½	7½
.90	.45	.	...	Comm. Alcohol	....	.50	..	..	..
1.00	.80	.	...	Conduits	....	.80	..	..	..
61	48	.	...	Do. pref.	3	55	50	50	50
17	11½	20c	...	Cons. Bakeries.	1265	14½	14½	14½	14½
2.12	.70	.	...	Cons. Paper	2970	1.10	1.25	1.00	1.05
7	5	.	...	Cons. Press	10	5½	7	7	7
26½	25	.	...	Cons. Sand, pf.	20	25	25	25	25
184¾	125½	1.25	...	Cons. Smelters.	2516	171	174	168	170
193	184	10	5.3	Consumers' Gas	111	190	185	185	185
90	30	1.75▲	...	Corr. P. Box p.	20	80	82	82	82
7	5	.	...	Cosgrave Brew.	....	7	..	..	..
19½	14¾	17½c	...	Cosmos Imp.	55	18	18	17¾	18
108	102¾	7	6.6	Do. pref.	20	105¾	105¾	105¾	105¾
2½	1½	.	...	Crown Dom. Oil	150	1¾	2½	2½	2½
28¾	25	4	...	Crow's N. Coal.	40	27½	27½	27½	27½
				D					
2	1	.	...	David & Fre. B	45	1	2	1¾	1¾
4	2	.	...	Do. (A)	....	2½	..	..	..
2¾	1½	.	...	De Havilland	25	1½	2¾	2¾	2¾
‡30	20	.	...	Do. (A)	....	30	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
6½	6½	.	...	Do. pref.	....	6½	..	..	..
28¾	13½	.	...	Distill-Seagram	17370	26¾	26¾	24	25½
201½	150	10	6.6	Dom. Bank	14	155	150	150	150
34	24½	1.20	4.1	Dom. Bridge	853	28¾	29	28½	28¾
18¾	14¾	75c	...	Dom. Coal, P.N.	4049	15½	15¾	14¾	15¾
23	17	.	...	Dom. Engineer.	100	20½	20½	20	20
120	103	5	5	Dom. Glass	40	103	100	95	95
145	136½	7	5.1	Do. pref.	60	140	136½	136½	136½
.10	.10	.	...	Dom. Motors	....	.10	..	..	..
36	32	.	...	Dom. Oilcloth	10	35	36	36	36
1	1	.	...	Dom. Pr. Stubs	....	1	..	..	..
85½	80	7	8.1	Dom. Rubber, p	....	85½	..	..	..
6	3½	.	...	Dom. St. & C.B.	3025	4¾	4¾	4¾	4¾
12½	6¾	.	...	Dom. Stores	685	8	8½	7¾	7¾
7¾	3½	.	...	Dom. Tar & Ch.	165	4	4	3¾	3¾
72	42	.	...	Do. pref.	532	55	52	51	51½
82½	60	5	8.1	Dom. Textile	155	65	65½	60	60
146½	130	7	5	Do. pref.	45	138	138	138	138
4½	1½	.	...	Donnacona P. A	....	1½	..	..	..
1.75	1.00	.	...	Do. (B)	....	1.75	..	..	..
5¾	3	.	...	Dryden Paper	930	4½	5	4	4
4½	2	.	...	Duff. Paving	....	2	..	..	..
40	20	.	...	Do. pref.	....	25	..	..	..
				E					
2½	1	.	...	East. Koot. Pr.	....	1	..	..	..
14	14	.	...	Do. pref.	....	14	..	..	..
2¾	1½	.	...	East. Dairies	100	1½	1½	1½	1½
10	5	.	...	East. Steel	....	7	..	..	..
90½	80	7	8.3	Do. pref.	35	84	84	84	84
8	7½	.	...	East. Theatres	....	7½	..	..	..
81	58½	7	9.3	Do. pref.	35	75	81	75	75
3½	1	.	...	Easy Washing	....	1½	..	..	..
20	13½	43¾c	...	Economic Inv.	25	15	13½	13½	13½
†15	15	.	...	Edmonton D'y	....	..	..	..	..
†80	78¾	6.50	...	Do. pref.	....	..	..	..	..
1	1	.	...	Enamel & Heat.	....	1	..	..	..
12½	7	.	...	Eng. Electric	17	9½	9½	9	9
6¾	3	.	...	Do. (B)	....	4	..	..	..
9	8	30c	...	European El. A	....	..	..	..	..
				F					
16½	10	50c	...	Fam. Players	....	16	..	..	..
17	14	.	...	Do. Vot. Tr.	....	..	..	..	..
9¾	7½	50c	5.4	Fanny Farmer	5365	9¾	9¾	9½	9½
32½	23½	50c	...	Ford Motors A.	10725	26¾	27½	25	25½
1.25	.60	.	...	For. Pr. Secs.	....	.60	..	..	..
13¾	11	.	...	Foundation Co.	55	12	11½	11½	11½
5	2½	.	...	Fraser Cos.	55	4½	4½	4	4
5	1½	.	...	Do. Vot. Tr.	85	4½	4	3½	3½
61	54	6	10.9	Freiman, pf.	....	55	..	..	..
4	2	.	...	Frost Steel	....	3	..	..	..
78	68	7	8.1	Do. pref.	80	75	86	84	86
				G					
5½	3	.	...	Gen. St. Wares.	150	3¾	3¾	3½	3¾
55	37	.	...	Do. pref.	50	39	40	38	40
72½	65	.	...	Goodyear Tire	220	67	67½	65	65½
54¾	51½	.	...	Do. pref.	293	53	53¾	52¾	53½
1½	½	.	...	Gt. W. Saddlery	200	1½	1	1	1
20	14	.	...	Do. pref.	5	16	14	14	14
6¾	4½	.	...	Gurd, Chas.	55	4¾	4¾	4½	4½
‡100½	100	7	...	Do. pref.	....	..	..	..	..
7¾	4½	.	...	Gypsum, Lime.	1295	5½	5½	5	5½
				H					
5½	3	.	...	Ham. Bridge	65	3½	3¾	3½	3¾
33	18	.	...	Do. pref.	....	22	..	..	..
30½	24	50c	...	Ham. Cot., pf.	....	24	..	..	..
2½	1	.	...	Ham. U. Theat.	....	1	..	..	..
60	50	1	...	Do. pref.	35	50	52	51	51
3½	2½	.	...	Harding Carpet	115	3½	3	2½	2½
12	10	12½c	...	Hinde & Dauch.	155	10	11	10¾	11
6	5½	.	...	Holt Renfrew	....	6	..	..	..
30	30	.	...	Do. pref.	....	30	..	..	..
.60	.15	.	...	Honey Dew	....	.45	..	..	..
8	6	.	...	Do. pref.	....	7	..	..	..
13	9	.	...	H. Smith Pap.	370	9¾	10	9½	9½
95½	84	.	...	Do. pref.	159	91	91	91	91
34	28	2	6	Humberstone S.	137	31½	34	32¾	34
11	6	.	...	Hunts (A)	....	7½	..	..	..
11	7	.	...	Do. (B)	....	7	..	..	..
103	88½	6	6.7	Huron & E. Mt.	47	89½	88½	88½	88½
17½	15	.	...	Do. 20% pd.	....	15½	..	..	..
3½	3	.	...	Hydro Electric.	....	3½	..	..	..
				I					
208½	167	10	5.9	Imperial Bank.	20	169	168	167	167
22½	15¾	50+37½	4.6	Imperial Oil	15887	19½	19½	18¾	19
14½	12	52½c	4	Imperial Tob.	5165	13½	13½	12¾	13
20	17	1	...	Inter. City Bak.	60	17	20	20	20
42	25	3	...	Inter'c Coal	....	17	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b4¾	1½	.	...	Int. Hyd. E. A.	2200	3	3	2½	2½
6	3	.	...	Int. Metal Ind.	170	3½	3½	3	3½
45	30	.	...	Do. pref.	....	30	..	..	..
100¾	100	5	5	Inter. Mill., new	627	100	100	99½	99½
114	109	7	6.3	Inter. Mill., pf.	61	109	110	109	110
107	102½	6	5.6	Do. Series A.	....	106	..	..	..
29½	22½	80c	2.6	Inter. Nickel	54647	29	31¾	29½	29¾
4½	2	.	...	Inter. Paints	....	2½	..	..	..
20	19	.	...	Do. pref.	....	19	..	..	..
b3	1½	.	...	Int. Pa. & P. A.	1110	2½	2¾	2½	2¾
b1½	¾	.	...	Do. (B)	100	1¾	1½	1½	1½
b1½	¾	.	...	Do. (C)	6300	1	1	1	1
b15¾	4½	.	...	Do. pref.	10300	14½	15	13	13¾
39½	28½	1.50+50	5.7	Inter. Pete.	15841	35	36	34	34¾
6	1	.	...	Inter. Power	5	2½	1½	1½	1½
64	40	1	...	Do. pref.	220	45	45	43	44
13¾	12½	.	...	Inter. St. Rly. A	....	13¾	..	..	..
2	2	.	...	Do. (B)	....	2	..	..	..
4	1½	.	...	Inter. Util. (A)	165	2½	2¾	2¾	2¾
.85	.25	.	...	Do. (B)	225	.50	.40	.40	.40
				J					
27	22	1	3.7	Jam. Pub. Ser.	25	27	27	27	27
120	115	7	5.8	Do. pref.	35	120	120	120	120
				K					
8¾	6½	.	...	Kelvinator	35	7	6¾	6¾	6¾
108	102	7	6	Do. pref.	....	107	..	..	..
				L					
13½	7	.	...	Lake of Woods.	375	9¾	10½	9¾	10
101	80	.	...	Do. pref.	5	80	80	80	80
75	60	5	8.3	Landed Bank.	....	60	..	..	..
4	3½	.	...	Langley's	....	3½	..	..	..
80	60	7	10.4	Do. pref.	....	67	..	..	..
63	60	3	4.9	Laura Secord	100	60¾	61	60½	61
5	2½	.	...	Lindsay, C. W.	....	5	..	..	..
40½	39	.	...	Do. pref.	5	40	40	40	40
19½	16½	1	5.7	Loblaw (A)	1655	17¾	17¾	17½	17½
18½	16	1	5.5	Do. (B)	595	16½	16½	16	16½
7½	6½	.	...	Louisiana Land	....	6¾	..	..	..
				M					
3½	3½	.	...	MacKin. Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
2½	2½	.	...	Manitoba Pr.	....	2½	..	..	..
.80	.50	.	...	M. L. Gard.	....	.60	..	..	..
4	3½	.	...	Do. pref.	....	3¾	..	..	..
1.30	.40	.	...	Maple Leaf	50	.50	.50	.50	.50
5	1	.	...	Do. pref.	50	1½	1½	1½	1½
12	12	60c	...	Maritime Tel.	....	12	..	..	..
15	14½	70c	...	Do. pref.	....	14½	..	..	..
20	14	.	...	Marcus Loew's.	....	17	..	..	..
115	108½	7	6.2	Do. pref.	70	112	111½	111½	111½
5¾	4½	.	...	Massey-Harris	3945	4¾	4¾	4½	4¾
30	18¾	.	...	Do. pref.	50	24	24	24	24
15¾	12½	80c	6.1	McColl Fron.	6872	12¾	12¾	12½	12¾
100¾	94	6	6.1	Do. pref.	213	97½	97½	96½	97½
11½	7	.	...	Melchers (A)	325	8¾	8¾	8½	8½
4	2½	.	...	Do. (B)	20	3½	2¾	2¾	2¾
10	8½	.	...	Mercury Mills, p	....	10	..	..	..
27	20	1	...	Mitchell, J. S.	....	25	..	..	..
101	101	7	6.9	Do. pref.	....	101	..	..	..
5¾	3½	.	...	Mitchell, Robt.	....	3½	..	..	..
5	5	.	...	Monarch Knit.	....	5	..	..	..
90	71½	7	7.9	Do. pref.	13	89½	88	83	88
25	20	.	...	Montreal Cot.	125	21	21½	21½	21½
97	73	7	9.2	Do. pref.	109	80	76	75	76
‡1	1	.	...	Montreal Exhib.	....	..	..	..	..
‡4	3¾	.	...	Mont. Is. Pr.	....	1	..	..	..
34½	26¼	1.50	4.9	Mont. L. & Pr.	5923	32½	32¾	31½	31½
32	32	2.50	7.8	Montreal Loan.	....	32	..	..	..
9	6½	.	...	Mtl. Ref. & S.P.	50	9	9	9	9
2	1½	.	...	Do. Vot. Tr.	100	2	2	2	2
58	54½	3.20	5.7	Montreal Tele.	12	58	56	56	56
99	80	9	9.6	Montreal Trams	22	93	93	93	93
24	17½	50c	...	Moore Corp.	556	24½	24½	23	23
143	118½	7	5	Do. pref. (A)	109	140	140	138	140
166	135	7	4.3	Do. pref. (B)	7	160	161½	161½	161½
1.10	.25	.	...	Muirheads	95	60	60	50	50
6	6	.	...	Do. pref.	....	6	..	..	..
				N					
37½	31	1.60	4.4	Nat. Breweries.	2551	36¾	36½	35	35
42	38	1.75	4.3	Do. pref.	100	40	40	40	40
6½	4½	.	...	Nat. Grocers	230	5½	5¾	5¾	5¾
130	121	7	5.7	Do. pref.	10	129	130	129	130
22	14½	.	...	N. Sew. Pipe A	60	14½	14½	14½	14½
18½	12½	.	...	Nat. Steel Car.	120	13½	13½	12½	12½
204	175	8	4	National Tr.	....	198	..	..	..
22	15	1	...	Niag. W. Weav.	....	22	..	..	..
52	45½	3	5.7	Do. pref.	....	52	..	..	..
1.90	.70	.	...	North Star Oil.	25	1.00	1.00	1.00	1.00
4.00	1.50	.	...	Do. pref.	630	3.00	3.00	3.00	3.00
				O					
190	140	8	4.7	Ogilvie Flour	35	166	170	165	170
152	130	7	4.8	Do. pref.	15	145	140	140	140
8½	5½	.	...	Ont. Eq. 10% pd	85	7	7	7	7
115	107½	6	5.2	Ontario Loan	....	115	..	..	..
13¾	8	.	...	Ont. Silknit	175	12½	12¾	12¾	12¾
98	75	1.75	...	Do. pref.	15	96	96	96	96
6½	5	.	...	Ont. Steel	....	5	..	..	..
.35	.15	.	...	Orange Crush	....	.30	..	..	..
17	6	.	...	Do. 1st pref.	....	15	..	..	..
.55	.20	.	...	Do. 2nd pref.	50	.45	.45	.45	.45
‡5	5	.	...	Ottawa Car	....	..	..	..	..
85	74	6	8	Ott. L. H. & Pr.	42	76	75	74½	74½
107	100	6.50	6.2	Do. pref.	105	104½	104½	104	104
22	14	50c	...	Ott. Traction	....	20½	..	..	..
				P					
88	75	3	3.7	Page Hersey	532	79	80½	79	79
‡30	24	.	...	Paton Mfg.	....	..	..	..	..
97	94	7	7.2	Do. pref.	82	97	97	97	97
63½	43½	3	6.8	Penmans	10	44	43½	43½	43½
115	106½	6	5.2	Do. pref.	....	115	..	..	..
24½	20½	1	4.5	Photo Eng.	210	23	22	22	22
91	70	7	8.2	Porto Rico Pr. p	15	85	85	85	85
10½	6½	.	...	Power Corp.	470	8½	8	7½	7½
94	80	6	6.6	Do. pref.	180	85	90	87	90
2.50	.80	.	...	Prairie C. Oil.	35	1.25	1.00	1.00	1.00
16	6	12½c	...	Pressed Metals.	899	16	16	13	13
3.87	1.50	.	...	Price Bros.	395	2.00	2.50	1.75	1.75
33¾	15	.	...	Do. pref.	25	17	18	18	18
				Q					
17½	13½	1	7.1	Quebec Power	582	14	14	13½	14
				R					
58	40	2	5	Real Estate L'n.	....	40	..	..	..
7	4½	.	...	Regent Knit.	75	5	4¾	4½	4½
3½	3½	.	...	Reliance Grain.	....	3½	..	..	..
30	27	1	3.3	River. S. Mills	45	29¾	29¾	29½	29½
9	5¾	.	...	Rogers Majest.	1255	6	6½	6	6
92	83	6	6.7	Rolland P. pf.	5	84	89	89	89
173½	137	8	5.7	Royal Bank	200	139½	140	138	139
30	20	.	...	Russell Motor	5	30	25	25	25
96	70	6	6.4	Do. pref.	5	95	93½	93½	93½
				S					
3½	2	.	...	Sarnia Br. (A)	....	3½	..	..	..
‡1¾	1½	.	...	Do. (B)	....	..	..	..	..
20	14¾	50c	2.9	Shawinigan	2197	16¾	17½	16½	16¾
17	11	.	...	Sher. Wms.	125	11½	11½	11	11
110	100	1.75▲	...	Do. pref.	....	103½	..	..	..
14	9¾	.	...	Simon & Son	40	10½	10½	10½	10½
109½	90	.	...	Do. pref.	40	91	92	92	92
90	62	3	...	Simpson, Ltd.	235	65½	66	65¾	65¾
12	9	.	...	Do. (A)	....	10	..	..	..
8	5	.	...	Do. (B)	....	8	..	..	..
109	103	6	5.5	Simpson, R., pf.	10	109	108	108	108
14½	9½	80c	6.1	So. Can. Pr.	217	13¾	13½	12½	12½
100	82	6	6.3	Do. pref.	189	94	95	94	95
1.90	.60	.	...	St. Law. Corp.	865	1.45	1.50	1.25	1.25
8¾	3	.	...	Do. (A)	620	7¾	8	6½	6½
39½	30	2	6.6	St. Law. Flour.	....	30	..	..	..
125	113	7	6.2	Do. pref.	....	113	..	..	..
16½	8½	.	...	St. Law. Pap. p	491	15½	15	12½	13
7	4	.	...	Stand. Chem.	....	4	..	..	..
1.75	.70	.	...	St. Pav. & Mat.	75	.80	.85	.80	.85
15	9	.	...	Do. pref.	5	12	15	15	15
25	20	.	...	Stand. Steel, pf.	....	25	..	..	..
50½	42½	1.75	3.5	Steel of Can.	880	49¾	50	49½	49¾
48½	41	1.75	3.6	Do. pref.	200	48	48½	47¾	48
4	2½	.	...	Sterling Coal	....	2	..	..	..
4¾	4½	.	...	Stop & Shop	....	4½	..	..	..
3	1½	.	...	Supersilk, TC	50	2½	1½	1½	1½
70	58½	3.50	5.2	Do. pref.	....	68	..	..	..
31	21½	1	3.2	Sup. Pete. ord	1745	29	31	29	29¾
28	23	1	3.5	Do. com.	....	28	..	..	..
115	110	7	6.4	Do. pref.	....	110	..	..	..
				T					
30	23	.	...	Tamblyn	....	24	..	..	..
114	110	7	6.2	Do. pref.	63	112	112	112	112
6	2½	.	...	Thayers	....	2½	..	..	..
41	33	3.50	10.6	Do. pref.	....	33	..	..	..
2.00	1.00	.	...	Thrift Stores	....	2.00	..	..	..
13	5	.	...	Do. pref.	50	6	7	7	7
12¾	7	.	...	Tip Top Tailors	15	8½	9	9	9
98½	90	7	7.2	Do. pref.	6	93	96	96	96
†22	10	.	...	Tooke Bros.	....	..	..	..	..
15	15	.	...	Do. pref.	....	15	..	..	..
42	33	1	2.5	Tor. Elevators	....	39	..	..	..
129½	108	7	6	Do. pref.	85	118	115½	115	115
125	95½	6	6.1	Tor. Gen. Tr.	62	103½	100	95	95
121	110	6	5.1	Toronto Mtge.	....	116	..	..	..
.15	.10	.	...	Traymore	....	.10	..	..	..
.90	.50	.	...	Do. pref.	....	.50	..	..	..
145	133½	7	4.8	Tuckett Tob. p.	....	145	..	..	..
4½	2	.	...	Twin City	150	3	3½	3	3
b27¾	18½	.	...	Do. pref.	....	23	..	..	..
				U					
6	3¾	.	...	Union Gas	2985	5¾	5½	5½	5½
9	9	.	...	Un. Amuse. A.	....	9	..	..	..
‡7½	7½	.	...	Do. (B)	....	..	..	..	..
1.40	.80	.	...	United Distill.	....	.60	..	..	..
23	3	.	...	United Fuel	....	..	..	..	..

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
September 24, 1935

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	2.75	3.00
Do., pfd.	4.70	5.00
Acme F. Dairy pf.	41.25	....
Allens Beach pfd.	52.00	....
Allens Tor. p. b. c.	23.00	....
Aluminium Ltd.	29.00	32.00
Andian National	45.50	47.25
Atlantic Sugar pf.	105.00	106.00
B. C. P. & P. pfd.	7.50	11.00
Burns & Co. A	4.25	5.25
Do., B	2.75	3.50
Can. & Dom. Sug.	54.50	56.00
Can. Mach. com.	.25	.50
Canada Paper pfd.	65.00	75.00
Canada Starch c.	13.00	....
Do., pfd.	82.00	....
Can. Wire & C. pf.	64.00	....
Can. Indust. A c.	197.00	....
Do., B com.	196.00	199.00
Do., pfd.	157.00	160.00
Can. P'board p. b.	4.25	6.00
Can. Tube 1st pfd.	28.00	....
Can. Westinghouse	47.00	48.50
Chase, A. W. p. b.	23.00	....
Cl. Neon Adv. U.	4.00	5.00
Copeland Fl M. U	4.50	6.00
Corr. P. Box pfd.	81.00	84.00
Dom. F. & Steel c. (New)	20.00	22.00
Do., pfd. (New)	77.00	82.00
Dom. Manufact. c.	2.25	....
Donna. Paper A	2.25	3.00
Dunlop Tire pfd.	....	67.00
Eastern Dairies p.	12.50	14.50
Edmonton City Dairy pfd.	49.50	....
Federal Grain com.	.50	1.00
Do., pfd.	25.00	28.00
Gen. Stl. Wares pf.	37.00	39.00
Goderich Elevator	5.25	6.00
Greening Wire p.	98.00	102.00
Guelph Carpet p.	97.50	99.00
Do., com.	14.50	15.50
Hayes Wheels pfd.	....	9.00
Highland Dairy c.	3.00	3.50
Do., pfd.	75.00	85.00
Hueth. Brew. p. b.	2.60	3.25
Inter City Bak. c.	17.50	20.00
Inter. Met. Ind. A	30.00	35.00
Loew's London p.	1.75	....
Loew's Tor. pfd.	111.50	....
Mansf. Theat. pfd.	25.50	26.50
Maple Leaf Gdns. p.	4.05	4.50
Massey-Harris pf.	23.50	24.50
Mercury Mills pf.	5.00	6.75
Morrow Screw pf.	95.50	....
New M. Laund. pf. bonus	66.00	70.00
Niag. W. Weav. p.	50.50	52.00
Para. Oshawa pfd.	56.00	....
Prov. Paper pfd.	97.00	100.00
Rel. Grain pfd.	63.00	....
Rob. Cons. Cone	8.00	8.75
Rolland Paper pfd.	84.00	87.00
Ruddy, E. L. p.	26.00	30.00
Silverw's. Dair. pf.	40.00	....
Stand. Fuel p. b.	102.00	103.50
Super. Pet. B pf.	26.00	28.00
Toronto Carpet. pf.	26.50	....
United Amuse. A	10.25	12.00
Do., B	10.00	11.00
United Steel pfd.	3.25	4.00
West. Grain pf. b.	9.00	11.00

Insurance Stocks:	Bid	Asked
British America	35.50	37.50
Canada Life	465.00	475.00
Canadian Fire	74.00	78.00
Canad. Ins. Shs. c.	10.00	11.00
Cont. L. 20% pd.	35.00	39.00
Crown Life	103.00%	....
Dominion Fire	114.00	....
Dom. Life 50% pd.	270.00	300.00
Dom. of Can. Gen.	....	84.00
Empire L. 25% pd.	3.00	....
Excel. L. 30% pd.	70.00	74.00
Fed. Fire 25% pd.	34.50	38.50
Fidelity of Can.	48.00	69.00
Great-West Life	394.00	405.00
Guar. Co. of N. A. fully pd.	245.00	....
Imperial Life	315.00	....
Manufact. Life	252.00	260.00
Mon. Life 10% pd.	17.00	18.50
Nat. Life 25% pd.	53.50	57.00
Sov. Life 25% pd.	14.00	18.00
Sun Life	410.00	425.00
Tor. General Ins.	4.50	5.25
West. Assur. com.	35.00	37.00
Do., 12% pd.	39.50	46.50
West. Empire Life 20% pd.	....	9.00
Trust & Loan Stocks:		
Chartered Trust	74.00	80.00
London & W. Tr.	34.00	36.50
Premier Trust	88.00	92.50
Sterling Trust	30.00	35.00
Traders Fin. B p.	64.00	....
Do., com.	.55	....
Trusts & Guar.	31.00	33.50
Victoria Trust	118.00	125.00
Waterloo Trust	99.00	....
Investment Trust Shares:		
Can. Gen. Invest.	6.25	6.45
Can. Investors	6.00	....
Can. Int. Tr. Units	26.50	28.50
Cons Div. Sec. U.	10.75	12.00
Deb. & Sec. pfd.	27.50	30.00
Dom. & Anglo Inv. Units	199.00	....
Dom. Scot. Inv. U.	22.50	25.00
For. Power pfd.	4.25	$8.00
Invest. Found. U.	39.00	....
Sec. Holding C. U.	11.25	13.00
United Corpns A	18.00	18.75
Do., Ltd. B	5.75	6.25
Power Issues:		
Calgary Power pf.	78.00	80.00
Can. L. & P. com.	25.00	28.00
Can. West. Nat. Gas pfd.	88.00	90.00
Do., com.	17.50	21.00
Gr. Lakes Pwr. pf.	65.00	68.00
Mar. Tel. & Tel. pf.	14.75	15.50
N. B. Tel. com.	10.50	11.50
N. S. L&P com.	46.00	....
Do., pfd.	99.00	....

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s. 10½d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	10s.
Can. West. Lumber	10d.
Hudson's Bay	16s. 3d.
Do., pref.	85s. 0d.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Dominion and Provincial Bonds

(Furnished by Toronto Bond Traders' Assoc.)
September 25, 1935

Dominion of Canada Bonds

	Rate	Due	Bid —Sept. 25—	Asked	Approx. Yield	Bid Sept. 18
Dominion	3½	15 Oct. 1935	99.90	100.15	.50	99.90
Dominion	4	15 Oct. 1935	99.90	100.15	.90	99.90
Dominion	2	15 Oct. 1936	99.85	100.25	1.76	99.90
Dominion	5	15 Nov. 1936	102.25	103.25	2.13	102.25
†‡Dominion	5	1 Mar. 1937	105.25	106.25	.69	105.25
‡Dominion	5½	1 Dec. 1937	106.00	107.00	2.22	106.00
Dominion	2½	15 Oct. 1939	100.00	101.00	2.24	100.00
Dominion	4	15 Oct. 1939	103.00	104.00	2.95	103.00
Dominion	4½	1 Sept. 1940	103.75	104.75	3.45	103.25
Dominion	5	15 Nov. 1941	104.75	105.75	3.93	104.00
Dominion	3	15 Oct. 1942	99.50	100.50	2.92	99.50
Dominion	2½	1 June 1943	97.25	98.25	2.75	96.50
Dominion	5	15 Oct. 1943	105.75	106.75	4.01	105.00
Dominion	4½	15 Oct. 1944	104.50	105.50	3.78	104.00
Dominion	4	15 Oct. '43-45	102.00	103.00	3.57▲	102.50
Dominion	4½	1 Feb. 1946	104.50	105.50	3.85	104.25
Dominion	3½	15 Oct. '44-49	100.00	101.00	3.37▲	100.00
Dominion	4	15 Oct. '47-52	101.75	102.75	3.71▲	102.25
Dominion	3	1 June '50-55	98.00	99.00	3.07	98.00
Dominion	4½	1 Nov. '46-56	103.75	104.75	3.96▲	103.50
Dominion	4½	1 Nov. '47-57	103.75	104.75	4.00▲	103.50
Dominion	4½	1 Nov. '48-58	104.00	105.00	4.01▲	104.00
Dominion	4½	1 Nov. '49-59	104.00	105.00	4.03▲	104.00
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	97.50	98.50	3.09	97.75
Can. N. Ry.	3	1 May 1944	98.75	99.75	3.03	98.75
Can. N. Ry.	3	15 Dec. '45-50	97.75	98.75	3.10	97.75
*Can. N. Ry.	4½	1 Sept. 1951	105.75	106.75	3.93	105.50
*Can. N. Ry.	4½	1 Feb. 1956	106.00	107.00	3.99	106.00
†Can. N. Ry.	4½	1 July 1957	105.00	106.00	4.08	105.00
*Can. N. Ry.	4¾	15 June 1955	107.50	108.50	4.12	107.50
Can. N. Ry.	5	1 Feb. 1954	106.50	108.00	4.36	106.00
*Can. N. Ry.	5	1 July 1969	108.75	109.75	4.14▲	107.50
*Can. N. Ry.	5	1 Oct. 1969	109.75	110.75	4.24▲	109.25
*M. Harb. C.	5	1 Nov. 1969	109.75	110.75	4.25▲	109.50
Provincial Government Bonds						
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	103.00	105.00	4.18	103.00
†N. Bruns.	5	15 Jan. 1960	106.00	108.00	4.46	106.00
N. Bruns.	5½	15 May 1950	106.00	108.00	4.75	107.00
N. Scotia	4½	15 May 1943	102.00	104.00	3.89	104.00
†N. Scotia	4½	15 Sept. '47-52	103.50	105.00	3.97▲	104.00
N. Scotia	4½	15 May 1961	105.00	107.00	4.06	106.00
†N. Scotia	5	1 Mar. 1960	107.00	109.00	4.39	108.00
*Ontario	4	1 June 1962	99.00	102.00	3.88	99.00
*Ontario	4½	1 Sept. 1944	102.50	104.50	3.90	105.00
Ontario	4½	1 June 1950	102.25	103.25	4.21	101.00
*Ontario	4½	15 Jan. 1962	102.50	104.50	4.22	104.00
Ontario	5	15 Oct. 1948	104.50	106.00	4.39	104.00
*Ontario	5	2 Dec. 1960	107.00	109.50	4.38	108.00
Ontario	5½	1 July 1946	107.00	108.50	4.51	108.50
O. H. C.	3½-4-5	1 Oct. '33-52	99.50	100.50	2.55▲	99.50
*Ont. Hyd. C.	4	1 Aug. 1957	100.00	102.00	3.86	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	104.50	107.50	4.33	106.00
Quebec	4	15 Mar. 1952	102.00	104.00	3.67	102.00
Quebec	4¼	1 Aug. 1958	105.50	107.50	3.76	105.00
Quebec	4½	2 Jan. 1963	107.00	109.00	3.96	107.00
Western—						
†Alberta	4	1 Dec. 1957	86.00	88.00	4.88	85.00
†Alberta	4½	1 Oct. 1956	87.00	90.00	5.29	88.00
†Alberta	5	1 Jan. 1948	91.00	93.00	5.80	92.00
Alberta	5	1 Sept. 1955	90.00	92.00	5.76	92.00
*Alberta	5	1 Oct. 1959	91.00	93.00	5.53	92.00
†Alberta	5½	1 Jan. 1947	93.50	96.50	5.92	93.00
Alberta	6	1 Mar. 1947	96.00	98.00	6.25	96.00
†Brit. Col.	4	1 Dec. 1957	90.00	93.00	4.50	90.00
*Brit. Col.	4½	15 Jan. 1951	95.00	97.00	4.78	96.00
†Brit. Col.	4½	1 Oct. 1953	93.50	95.50	4.88	93.50
†Brit. Col.	5	15 Jan. 1948	97.00	99.00	5.11	98.00
Brit. Col.	5	1 Sept. 1953	96.00	98.00	5.17	97.00
Brit. Col.	5½	1 Feb. 1945	98.00	100.00	5.50	98.00
Brit. Col.	6	15 Feb. 1947	100.50	102.00	5.76	100.00
†Manitoba	4	1 Dec. 1957	93.00	95.00	4.35	95.00
†Manitoba	4½	15 Dec. 1956	98.00	100.00	4.50	98.50
†Manitoba	5	15 June 1954	102.00	104.00	4.67	102.00
*Manitoba	5	2 Dec. 1959	102.00	105.00	4.65	105.00
Manitoba	5½	1 Oct. 1955	101.00	103.00	5.26	101.00
Manitoba	6	1 Apr. 1947	102.50	105.00	5.41	102.00
Sask.	4	15 Aug. 1953	85.00	87.00	5.11	85.00
*Sask.	4½	2 July 1945	94.00	96.00	5.01	94.00
†Sask.	4½	1 Oct. 1951	92.50	94.00	5.05	92.00
Sask.	5	1 Aug. 1958	95.00	97.00	5.23	95.00
†Sask.	5½	15 Nov. 1946	98.00	100.00	5.50	98.00
Sask.	6	15 Mar. 1952	100.00	102.00	5.81	102.00
Municipal Bonds						
†Calgary	5½	2 June 1944	75.00	85.00	7.90	75.00
†Edmonton	5½	1 Nov. 1945	84.00	88.00	7.18	86.00
†Halifax	5	1 July 1961	106.00	108.00	4.48	105.00
Hamilton	5	1 May 1950	99.00	103.00	4.72	.....
Montreal	5	1 Mar. 1945	101.00	103.00	4.60	101.50
Ottawa	4½	1 July 1945	99.00	103.00	4.12	.....
†Quebec	5	1 June 1959	103.00	105.00	4.65	105.00
Regina	5	1 July 1944	75.00	80.00	8.25	75.00
St. John	5	15 Dec. 1950	104.00	106.00	4.46	104.00
†Toronto	4½	1 Jan. 1955	103.00	107.00	3.98	.....
Vancouver	5	1 June 1969	87.00	91.00	5.59	87.00
Victoria	5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg	5	1 Mar. 1944	100.00	103.00	4.56	100.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Montreal, Toronto and Curb Markets (Cont'd)

Range 1935 High	Low	Divd. Rate in $	Y'ld in %		Sales	Close Sept. 16 (last)	High	Low	Close
25	15½	.	...	Do. pref.	145	18¾	18¾	17½	17½
30	24	2	8	United Secs.	....	25	..	..	..
5	2	.	...	United Steel	640	3½	3½	3	3
				V					
2.00	1.00	.	...	Viau Biscuit	100	1.00	1.30	1.30	1.30
20½	12	.	...	Do. pref.	10	15	16	15	15
				W					
27	16	.	...	Wabasso Cot.	5	17	17	17	17
33	23	.	...	Walker-Good.	4631	27¾	27¾	25½	26
18½	16¾	1	5.6	Do. pref.	3762	17¾	17¾	17½	17¾
4.25	2.15	.	...	Walkerville Br.	795	2.40	2.40	2.25	2.25
2.75	1.00	.	...	Waterloo Mfg.	25	1.50	1.40	1.40	1.40
6	2½	.	...	West. C. Flour.	....	3½	..	..	..
52	20	.	...	Do. pref.	15	26	25	25	25
43	32	50c	...	West. Grocers	....	43	..	..	..
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
16	13¾	1	7.2	Weston Ltd., n.	1510	16	15¾	13¾	14½
115	100	7	7	Do. pref.	30	112	112	100	100
8½	1½	.	...	Whittall Can.	2366	7½	8½	7	8½
108	75	6.50	6.1	Do. pref.	914	98	108	98	107
3	2	.	...	Windsor Hotel	....	2	..	..	..
8	4	.	...	Do. pref.	5	6	4	4	4
2.25	.90	.	...	Winnipeg Elec.	120	1.10	1.10	1.05	1.05
10	4	.	...	Do. pref.	20	7	8	7	8
30	20½	.	...	Wood, A & J, p	....	20½	..	..	..
70	50	.	...	Woods Mfg. pf.	15	53	50	50	50
				Z					
5½	2½	.	...	Zimmerknit, c.	....	2¾	..	..	..
85	63½	7	11	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. No sales recorded in 1935 to date.
§ Quotations for 1933. b New York Quotations.
† Quotations for 1931. ▲ On account of arrears.

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)
September 24, 1935

Public Utility Issues:	Int. Rate	Due	Bid Sept. 24	Asked	Bid Sept. 17
†Avalon Telephone	5½%	1948	100	...	...
Beauharnois L. H. & Pwr.	5½%	1973	92½	95	92½
Beauharnois Power Corp.	5%	1973	36½	38½	35½
*Bell Telephone	5%	1955	112½	115	111½
*Bell Telephone	5%	1957	114½	118½	114
†B. C. Power	5%	1960	97½	99½	96
†B. C. Power	5½%	1960	102	104	102
†B. C. Telephone	5%	1960	104½	106½	104
†Calgary Power	5%	1960	94	97	95
Calgary Power	5%	1964	92	95	93
†Canada Northern Power	5%	1953	100¾	103½	101½
†Cedars Rapids Mfg. & Pwr.	5%	1953	112	114	110½
Dominion Gas & Electric	6½%	1945	77½	80½	78
Duke-Price Power	6%	1966	102½	104½	102½
*Gatineau Power	5%	1956	85	88	85
*Gatineau Power	6%A	1941	73	75½	74½
*Gatineau Power	6%B	1941	72	75	74
*Internat'l Hydro-Electric	6%	1944	44½	47½	47
†Maclaren-Quebec Power	5½%	1961	65	69	67½
Maclaren-Quebec Power	5½%	1964	65	68	67
*Manitoba Power	5½%	1951	60	63	60
†Montreal Island Power	5½%	1957	101½	104½	102
†Montreal L. H. & Pwr.	5%	1951	107½	109½	107
†Montreal Public Service	5%	1942	105	...	105
†Montreal Tramways	5%	1955	83	86	83½
†Montreal Tramways	4½%	1955	78	81	78½
†Montreal Tramways	5%	1941	101½	104	102
National Light & Power	6%	1949	93	96	92½
†N. S. Light & Power	5%	1958	103½	105½	103½
†Ottawa Lt., Heat & Pwr.	5%	1957	104½	106½	104½
†Ottawa Valley Power	5½%	1970	93	96	95
†Power Corp.	4½%	1959	84	87	84½
†Provincial Light & Pwr.	5%	1946	105	...	105
*Quebec Power	5%	1968	104½	106½	104½
†Shawinigan Water & Pwr.	4½%	1970	98½	100½	98
†Shawinigan Water & Pwr.	5%	1970	102	105	103
†Southern Canada Power	5%	1955	104½	106½	104½
†United Securities	5½%	1952	78	81	80
†West Kootenay Power	5%	1956	105½	107½	105½
†Western Power Co.	5%	1949	104½	106½	104½
*Winnipeg Electric	5%	1935	98	101	98
*Winnipeg Electric	6%	1954	60	63	62½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	30½	32½	31½
†Acadia Sugar	6%	1946	103	105	103
†Alberta Pacific Grain	6%	1946	86½	89½	85
‡Asbestos Corp.	5%	1942	82	85	82
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	104½	106½	104½
British American Oil	4%	1945	101½	103½	101½
Burns & Co.	5½%	1948	54	58	54
Canada Bread	6%	1941	106½	109½	106½
†Canada Cement	5½%	1947	102½	104½	102½
†Canada Paper	6%	1945	100½	...	100½
‡Canada Steamship	5%	1943	100	...	100
Canada Steamship	6%	1941	40½	42½	40½
†Canadian Canners	6%	1950	104	106	104
Canadian Cons. Felt	6%	1940	100	...	100
C. P. R.	6%	1942	106½	108½	106
C. P. R.	4½%	1944	93½	95½	94
*C. P. R.	5%	1954	102½	105	104
C. P. R.	4%	1940	92½	94½	93½
C. P. R. Perp. Deb.	4%	....	84½	87½	85
†Canadian Vickers	6%	1947	72½	75½	73½
Consolidated Paper	5½%	1961	16½	18½	17½
Debenture & Security	4%	1936	95	...	95
†Dominion Canners	6%	1940	108	110	108
†Dominion Tar	6%	1949	98½	101	98½
Dom. Wool. & W. (with stock)	6%	1948	11½	14½	12½
†Donnacona Paper	5½%	1948	40	43	38
†Eastern Dairies	6%	1949	85	88	86½
Eaton T. Realty	5%	1949	100½	102½	100
†Famous Players	6%	1948	101½	103½	101½
†Famous Players	6½%	1948	95	98	94½
†Federal Grain	6%	1949	90	93	91
Fraser Cos. (unstamped)	6%	1950	57½	60½	57
Fraser Cos. (stamped)	6%	1950	52½	55½	51½
†General Steel Wares	6%	1952	92	95	92½
Great Lakes Paper	6%	1950	41	44	43
†Gypsum, Lime & Alabast.	5½%	1948	87½	90½	89
Hamilton Cottons	5½%	1948	101	104	101
*Hamilton By-Prod. Coke	7%	1943	103	105½	103
*Hinde & Dauch	5½%	1948	102	105	102
†Internat'l. P. & P., Nfld.	5%	1968	98½	100½	98½
Inter City Baking	5½%	1948	99½	101½	99½
Inter-City West Bakeries	6½%	1950	23	26	23
Lake St. John Pwr. & Pap.	6½%	1947	67	70	69
†London Can. Invest.	4½%	1948	79	82	79½
London Realty	6%	1950	88	91	88
†Massey-Harris	5%	1947	84½	87½	86
McColl-Frontenac	6%	1949	104	106	104½
†Mercury Mills	5½%	1953	35	40	35½
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	16	18	17
*Montreal Coke	5½%	1947	102½	...	102
‡Montreal Cottons	5%	1947	99	...	99
Montreal Dry Docks	6%	1948	65	70	104½
National Grocers	6%	1948	104½	...	94
Northern Ont. Bldg.	6½%	1939	93½	96½	94
†Penmans	5½%	1951	109	111	109
*Provincial Paper	5½%	1947	102	104	102
Queen's Hotel	6%	1947	83	86	83
*Reliance Grain	6%	1948	97½	100½	97½
Richmond Bay Bldg.	6½%	1947	95	98	95
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	...	103
Ruddy & Co., E. L.	6½%	1948	90½	93½	90½
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	103	105	103½
†Simpsons Ltd.	5½%	1949	99	102	99
†Smith, Howard	5½%	1953	103	105	103
‡Steel Co. of Canada	6%	1940	110½	112½	110½
Stop & Shop	6%	1947	54	58	54
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	98	...	98
United Corpns.	5%	1953	87	...	87
United Grain Growers	5%	1948	92½	95½	92½
United Grain Growers	5½%	1949	96½	99½	95½
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Western Grain	6%	1949	...	70	65
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	99½	102½	99½

§Payable in U. S. only. *Payable in Canada or U. S.
‡Payable in Can. or U. K. ▲Payable in New York.
†Payable in Canada, U. S., or U. K.

Unlisted Mining Stocks

September 24, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Gold	1.08	1.12
Arntfield Synd.	1.14	1.20
Adanac	.06	.07½
Ardeen	.09	.11
Athona (Gt. B. L.)	.48	.51
Athabaska Portals	.30	.31
Bailor	.00¾	.01½
Bidgood Kirk.	.07	.08
Bankfield Gold	.41	.43
Bathurst	.00¾	.01½
Bosquet Gold	.05½	.06½
Can. Pandora	.03	.04
Can. Radium	.40	.43
Casey Summit	.06	.07
Canusa Mining	.05	.06½
Casey Contact	.03	.04½
Central Porc.	.15	.17
Cons. Chib. Free	.50	.53
Cons. Chib. Pool	.48	.51
Columario Cons.	.01	.02
Dorval Siscoe	..	4.00
Dunlop Cons.	.00½	.01½
El Bonanza	.12	.14
Forty-four Gold	5.00	5.50
Glenora Gold	.08	.09
Galatea	.05½	.06½
Goldside	.02½	.03½
Gold Eagle	..	.21
Greenlaw	.05	.06
Hardrock	.48	.50
Hardrock Units	..	46.00
Hislop Gold	..	.06
Horseshoe	.01	.02

	Bid	Asked
Hudson Patricia	.08½	.09½
Jellicoe	.04½	.05½
Johnson Nip.	.02½	.03½
Kirk. Gold Belt	.10	.11½
Lafayette L. Lac	.03	.04
La Palme	.23½	.25
Long Lac Lagoon	.03½	.04½
Lamaque Gold	2.20	2.25
MacFarlane	..	.02
MacL. Cockshutt	.04	.05
Magnet Lake	.03½	.04½
Matachewan Can.	.11	.12
McCarthy Webb	.05¾	.06½
Morrison Mines	..	.15
Mosher	.02	.03
N.A.M.E. Un.	30.00	33.00
North Shores	.02½	.03½
Oklend	.19	.21
O'Leary	.08½	.09
Opemiska	1.25	1.30
Pamour Porc.	2.00	2.05
Rice Lake	.03	.04
Shawkey	.41	.43
Silverado Gow.	.38½	.40½
Smelter Gold	.05	.05½
Smith Cobalt	.11	.13
Straw L. Beach	..	.12
Sturgeon R. Gold	.59	.62
Sun Bear	..	.16
Thom.-Cadillac	.02½	.03½
Wells L. Lac	.08	.10
Wingold	.04½	.05½
Young David	.14½	.16
Wendigo	.11	.13

Winnipeg Stock Exchange

(Transactions from Sept. 13 to Sept. 20)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Sept. 20
..	..	Crescent Cream., pfd.	7	28.00	28.00	28.00
..	..	Flin Flon Synd.	2,850	.28	.26	.28
..	..	Gabrielle	100	.20	.20	.20
..	..	Gold Lake	7,500	.27	.22	.27
20	5	Great-West Life	13	400.00	400.00	400.00
..	..	Home Invest.	41	25.00	25.00	25.00
..	..	Knee Lake	11,300	.35½	.34	.35
..	..	Island Lake	1,500	.02⅝	.02½	.02
..	..	Monarch Life	5	17.00	17.00	17.00
..	..	Ore Grande	1,000	.06¼	.06¼	.05
..	..	Pelissiers, pfd.	20	16.00	16.00	16.00
1	8	United Grain	1	12.50	12.50	12.50
..	..	Vanson Man.	1,000	.03	.03	.03
..	..	Wingold	9,000	.05¾	.06	.05
..	..	Wylie Dom.	8,500	.14	.12	.12

Stocks Not Traded in During Week*

	Bid	Ask
Ballor Gold	.01	..
Beaver Fire	..	100
Beaver Lumber, c.	..	3
Candn. Fire Ins.	73	..
City Dairy, A	..	10
Federal Grain	..	75
Federal Grain pf.	26	29
Forty-Four	5.60	6.25
Northern Trust	..	7

	Bid	Ask
Rel. Grain, pfd.	..	66½
West. Grain, pfd.	8½	..
Can. Amer. Trust	3.05	3.30
Can. Inv. Fund	..	2.85
West. Brew.	..	2.00
Fundamental A	5.01	5.50
Series B	4.74	..
Grouped Inc.	4.50	5.00

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending Sept. 23, 1935

	Int. rate	Due	Latest Yield	Bid	High	Low	Range 1935 High	Low
Mtl. L. H. & P. Debs	3	1939	3.00	50½	50½	50	50¾	46
McNish	6	1948	...	...	3.30	3.30	4.00	3.10

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1935, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of October, 1935, to shareholders of record of the 20th September, 1935.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 15th August, 1935.

The Toronto Mortgage Company

Quarterly Dividend

NOTICE is hereby given that a dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1935, to Shareholders of record on the books of the Company at the close of business on 14th instant.

By Order of the Board,

WALTER GILLESPIE,
Manager.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED payable October 1st, 1935, to Shareholders of record as at close of business September 15th, 1935.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 38

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable October 1st, 1935, to shareholders of record September 14th, 1935.

F. J. MAW,
Secretary.

Hamilton, Ont., September 18th, 1935.

Canada Iron Foundries, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1½% on the $100.00 par value 6% non-cumulative Preferred Shares of this Company has been declared for the half-year ended June 30th, 1935, payable November 15th, 1935, to holders of record October 31st, 1935.

By Order of the Board.

M. S. GROGAN,
Secretary-Treasurer.

Montreal, September 18th, 1935.

CANADA BREAD Company, Limited

Notice is hereby given that a dividend of 1% has been declared on the First Preference Shares of the Company, payable October 1st, 1935, to shareholders of record September 20th, 1935.

By Order of the Board,

W. S. ANTLIFF, C.A.,
Secretary-Treasurer.

Toronto, September 14th, 1935.

Imperial Bank of Canada

DIVIDEND NO. 181.

Notice is hereby given that a Dividend of two and one-half per cent. (2½%) has been declared for the quarter ending the 31st October, 1935, payable at the Head Office and Branches on and after Friday, the First day of November next, to shareholders of record of the 30th September, 1935.

By order of the Board.
A. E. PHIPPS,
General Manager.

Toronto, 18th Sept., 1935.

Nathanson, Holt, Seek British Lion Will Finance It

Two Canadians, N. L. Nathanson, president Famous Players Canadian Corp., and A. P. Holt, son of Sir Andrew Holt, are making a dicker for control of British Lion Films, which was formed in 1927 to produce films based mainly on the fiction output of the prolific Edgar Wallace, who died last year. Associated with them is S. W. Smith, managing director of British Lion Films.

Messrs. Nathanson and Holt have already advanced £50,000 pounds to the company and proposals have been sent to shareholders for a reorganization of share structure which will permit permanent financing.

The company has had a chequered career. Its capital was written down in 1930-31 and it had a loss of £17,751 in the following year. It had profits, however, in the following years.

A distribution contract has been entered into with Republic Pictures Corp. of America. The additional capital is needed in connection with this contract and also to permit the company to expand its own production programme.

The three men named engage to provide or secure subscriptions for £125,000 of debenture stock and 500,000 one-shilling ordinary shares at par, or £150,000 in all. Important options to buy more ordinary shares are given the three men.

Excelsior Production

The production of excelsior, wood wool and excelsior pads, mats and wrappers during 1934 amounted to a value of $164,857 compared with $136,478 in 1933.

Wheat

From Our Own Correspondent

From Our Own Correspondent

Recession

WINNIPEG.—During the last few days there has been a slight recession in Winnipeg wheat prices, following a corresponding decline in Liverpool and Buenos Aires. This trend has continued in spite of reports of drought in the Argentine. There has also been a slackening in demand for actual wheat available for immediate shipment. Overseas buyers had apparently covered their needs and were inclined to await further information about Russia, Australia and Argentina.

* * *

Farm Delivery

ALTHOUGH the wheat board announced it would be prepared on Wednesday morning to accept delivery of grain from farmers paying for it the fixed minimum prices, no great volume of deliveries to the Board is anticipated until next week. It would be some days yet before all country elevators have the necessary forms and instructions to enable them to act on behalf of the board. Many farmers with grain will undoubtedly exercise the privilege given by the Board's announcement of waiting ten days before they definitely decide whether or not to accept the Board's price or decide to take their chances with the open market. On grain in storage in country elevators there is no such limitation.

Delivery of grain already in store may be made to the Board as of Sept. 1, the Board assuming storage charges since that time.

* * *

Farmers May Hold

THE rise which has occurred in wheat prices has brought about a change in the texture of the market by again making farmers' sales opinions a factor. Much of the grain already threshed is now being held by the growers until they decide as individuals upon a favorable moment for selling. For several years past there was an increasing tendency to sell as rapidly as it could be threshed. That fact put an increasingly heavy load on the machinery of the hedging market.

This year farmers generally are in no position to hold for long, but a surprising ability to hold out for a few weeks or even months has often been displayed. When prices are fairly good immediate necessities may be met by a sale of a portion of the crop, with the remainder held to await possibilities. Farmer's ability and inclination to hold grain is strengthened by the existence of fixed minimum prices for different grades of wheat which he can obtain at any time from the Wheat Board. The most he can lose by delay is the difference between the market and the Board price, plus the comparatively moderate cost of storage and interest for a short time.

As the quantity of wheat in farmers' hands is built up, there will be an increasing likelihood of grain coming out on market bulges, with a corresponding decline in offerings during slumps.

Even mortgage companies are understood to be showing a tendency to try to make the most of the market on grain delivered to them on crop shares. For a time it was the normal thing for such grain to be sold as rapidly as delivered, but some of them at least are now inclined to make their selling less automatic, and to exercise judgment as to market possibilities.

* * *

Quality

ESTIMATES of the western wheat, and especially of the proportion of it that may be fit for milling, continue to vary by considerable margins. Harvest has been delayed both by slow ripening in the north, and by uncertainty of many farmers as to whether their grain would be worth cutting. Recent price advance, however, will probably cause some grain to be saved which otherwise would not have repaid the trouble. Threshing has been held up over wide areas by a succession of rains. Grain will dry out in the field, but if it is threshed when damp it will retain moisture and the grade will be impaired. Some threshing returns, especially in the areas in Manitoba and Saskatchewan where rust was worse, have been disappointing. Farmers have been able to recover much less grain than expected. On the other hand threshing returns in western Saskatchewan and Southern Alberta, where dry weather was the principal adverse influence on the crop, have frequently been much ahead of expectations.

* * *

Back to Chicago

SOME load has lately been taken off the Winnipeg hedging market by the transfer from Winnipeg to Chicago of hedges on a considerable quantity of wheat held by exporting interests either at the head of the lakes or Eastern positions. That is partly the explanation of the fact that buying in the Winnipeg market seemed for a time to be much in excess of the quantity of grain actually moving for export. Possibly the greater part of such transferring has been done by interests which expect a good part of the grain they are carrying to be sold for milling in the United States, but some of it also appears to be on grain clearly destined for European export.

In former years a great deal of Canadian wheat, especially after it had been shipped from the head of the lakes or from Vancouver, was hedged in Chicago. This was done because the market there usually moved parallel with other world markets, and the great capacity of that market made it a desirable one in which to carry commitments. In the past two years, however, Chicago has been of no use as a hedging market on Canadian grain, because price movements were governed by purely local considerations. But Chicago is once again moving into a position of providing a barometer for world wheat prices, a fact which seems strange enough when there is talk of the United States having to import large quantities of Canadian wheat this year, in spite of a 42 cent duty. But the wheat that is scarce in the United States is the full weight, high quality northern spring variety, which is commanding premiums of 40 cents a bushel or more above the contract grades.

So long as Chicago prices move parallel with world prices, an exporter is likely to prefer hedging his wheat there to carrying a hedge on it in the Winnipeg market, that is so long as the Winnipeg market remains narrow and more or less cornered by the government agency.

* * *

U.S. Purchases

THE extent of Canadian export of milling wheat to the United States this year is still a highly uncertain quantity. American interests continue to accumulate Canadian wheat, both at Fort William and in eastern positions, but they are very slow to pay the duty on such and actually mill it for local use.

A good deal of it may be milled in bond and offered for export in competition with Canadian milled wheat, not in Great Britain where a duty prevents effective competition, but on the continent and in Central and South American markets, where Canadian wheat milled in Canada is on an equality with that milled in the United States.

Its use in the United States is subject to the consumer's test, and the willingness of housewives and bakers to pay a fancy price for the high-grade flour they like instead of buying somewhat inferior flour at a much lower price.

Milling interests south of the line are not slow to point out that the United States processing tax, which they thoroughly dislike, and want to see abolished, is proving an effective aid to the import of Canadian wheat. In effect it cuts a substantial margin off the duty of 42 cents a bushel. For the miller has to pay, and to recover from his customers, 30 cents on every bushel of wheat he grinds, to provide funds for the acreage control campaign.

Grasshopper Reduction Seen

According to reports from Manitoba, present indications point to a marked general reduction in the number of grasshoppers next year, although concentrations of the insect are expected in certain definite areas.

ARGENTINE WHEAT TOTAL ESTIMATE SEEN TOO HIGH

Optimism May Have Far-reaching Effect on World Plans

Although the Argentine government has officially estimated 14,000,000 acres as the area seeded to wheat this year, commercial agencies are insisting that the total is too high, and that drought should put this acreage down to 12,000,000. Liverpool estimates vary widely. It is felt production of insufficient Argentine wheat may eliminate exports to British and Continental markets. Available quantities of 20,000,000 or 30,000,000 bushels are also seen if heavy rains fall during the remainder of the growing season.

Reduced Demand Seen

Although it is usual to allow about 30,000,000 bushels of Argentine wheat for Brazil and other South American countries, it is recognized that high prices might reduce that demand. Argentine might also export her full surplus in the first few months of the crop year, without considering Brazil for the rest of the year. That country would then require to be supplied by Canada or by other countries during the latter months of 1936.

Of Great Importance

The Argentine wheat crop is of tremendous importance to the international wheat situation, and it is possible to overestimate the immediate effects. Argentine's crop year overlaps that of the northern hemisphere. Although new crop shipments usually begin in January, it is March before they hit the overseas market in full force, and there are only five months before Great Britain and Continental countries can begin to draw on new crop supplies if the harvest season is favorable.

Because Argentina had heavy crops in 1933 and 1934 she is still able to ship substantial quantities overseas. The effects of the short production to be experienced this year will continue to be felt throughout 1936, it is said, but in the process of discounting in advance, the market will take account of other possible supplies available in 1936.

Farm Factors

Agricultural Trends Affecting Business and Finance

Restricting Agreements

ALTHOUGH not generally known, there appear to be gentlemen's agreements concerning many important Canadian agricultural exports to Great Britain. These are superimposed above the famous Ottawa agreements and usually they substantially restrict the advantages of the latter.

For instance, under the Ottawa treaties practically an unlimited market for Canadian bacon was opened in Great Britain but under a gentlemen's agreement following, this was reduced to about half the Ottawa quota. When it was exceeded shortly afterward, there was a protest from Great Britain.

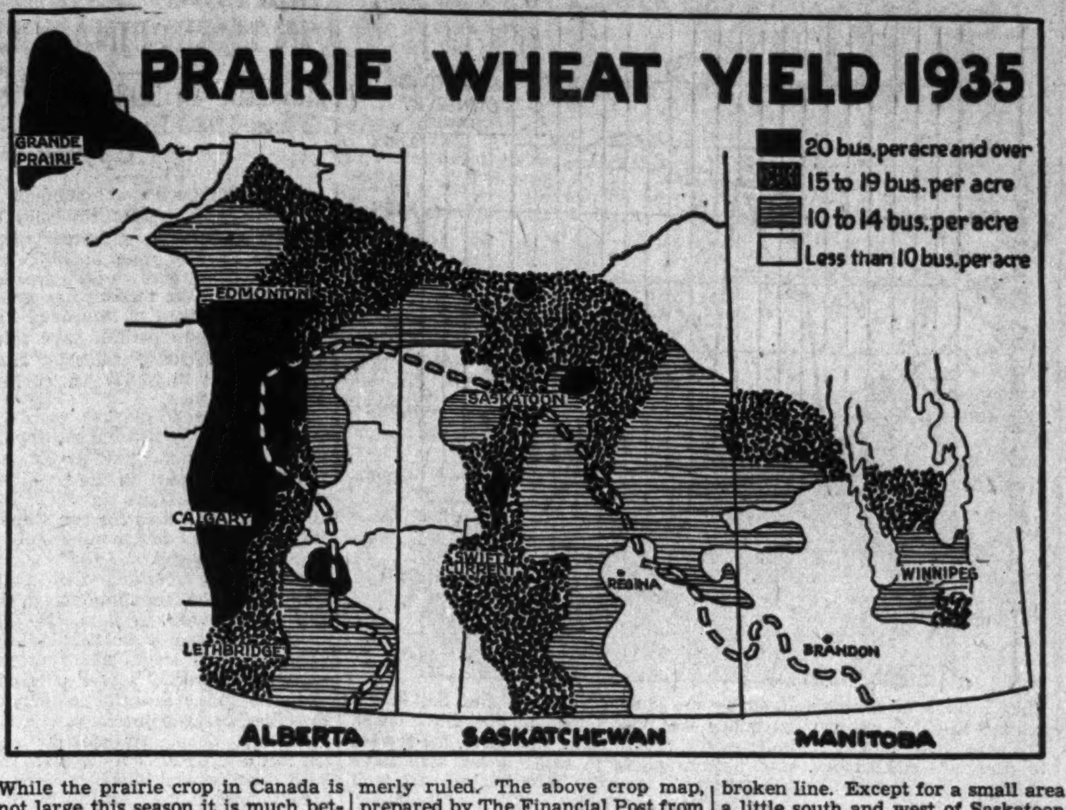
A similar agreement was worked out in regard to live cattle, and again protests were forthcoming when this relatively small quota promised to be exceeded two years ago. At that time Canada only possessed the British market as a possible export outlet for live cattle.

* * *

Britain Protests Oats

RECENTLY, there has been a protest from Great Britain in regard to the exports of Canadian oats. Under the agreement reached in 1933, Canada was allowed a quota of approximately 6.7 million bushels. Relatively high prices in Great Britain last winter resulted in this quota being exceeded and after a protest negotiations followed. Such a quota may seem small in comparison to a total crop running between 400 and 600 million bushels but the great bulk of this crop never leaves the farms being used for livestock feed. When, however, wheat prices are low as was the case a year ago, the cash sale of such coarse grains as oats becomes relatively more important.

Western Drought Area Shrinks



While the prairie crop in Canada is not large this season it is much better distributed than in recent years, and there should be new money in some sections where drought formerly ruled. The above crop map, prepared by The Financial Post from Sanford Evans charts, shows the prospective yields this year with the 1934 drought area blocked off by the broken line. Except for a small area a little south and west of Saskatoon all within the broken line was hit by drought in 1934.

SPREAD OF RUST COSTS FARMERS $100 MILLIONS

Big Place For New Resistant Wheat—Ready in 1937

Had there been no rust in Western Canada this year, the Country Guide, Winnipeg, estimates that the present wheat crop would have returned at least $100 millions more in hard cash to the growers. Two small samples mailed to its subscribers graphically illustrate the point emphasized by that publication. One sample shows 18 kernels of No. 1 hard, rust-resistant wheat which averages 64 lb to the bushel. The other shows about twice the number of kernels of rusted wheat to equal the same volume as the first but which only grade feed can average in weight of 46 lb. per bushel.

Rusted 40 Cents Lower

The price of the rusted wheat is running fully 40 cents per bushel lower than for the No. 1 hard on current markets. Preliminary government estimates placed the present crop at 290 million bushels at which it is estimated that 60 million bushels will not rate above feed. At current prices the latter crop will be worth $24 millions less than the No. 1 variety. Not only is this amount a straight loss but for every bushel of wheat from badly-rusted fields, there would be several bushels more potential loss from wheat which failed to develop even to the feed stage. Thousands of acres are so badly rusted that it did not pay to harvest at all, although the grower had to go to the trouble and expense of burning the straw.

New Resistant Variety

The Guide is convinced that the introduction of the new resistant wheat developed by the Dominion Rust Research Laboratory at Winnipeg will prevent such losses in future. The samples of wheat which it has distributed were grown side by side this season. "The new wheat," it says "is a combination of Reward and a hybrid derived from Emmer (a rust proof species of low grade feed wheat from Palestine) crossed with Marquis.

"It rates with other hard wheats, like Marquis in quality— will command the same price on the market as the other first quality wheat and will make flour of the highest grade. The available seed is being multiplied as rapidly as possible and will be distributed in 1937 to the farmers in the area usually affected by rust." The new wheat is the result of 11 years of research work carried out by the laboratory at Winnipeg.

50-cent Minimum Price Is Set for Feed Wheat

From Our Own Correspondent

WINNIPEG. — The Canadian Wheat Board announced on Tuesday that its minimum fixed price on feed wheat would be fifty cents a bushel, in spite of political suggestions during the past week that a higher price would be established. This approximates current market price.

Livestock Increase

An increase in the receipts of cattle, calves and sheep and a decrease in those of hogs and horses during the first eight months of the year are seen for Toronto. Receipts for the eight months were: cattle, 199,370 head, (178,349 head); calves, 80,871, (77,762); hogs, 116,387 (151,369); sheep, 114,953, (109,067) and horses, 1,074; (1,167). Receipts in Canada as a whole were: cattle, 594,631, (566,970); calves, 270,808, (234,004); hogs, 887,988, (1,099,219); sheep, 370,404, (344,795), and horses, 43,415, (43,212)

Wheat Prices

(Cash Quotations)

	Aver. for week Sept. 20 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.903	0.855
No. 1 Northern	0.899	0.848
No. 2 Northern	0.869	0.819
No. 3 Northern	0.837	....
No. 4 Northern	0.779	0.780
No. 5 Wheat	0.680	0.639
No. 6 Wheat	0.658	0.629
Feed Wheat	0.510	0.452
At Vancouver:		
No. 1 Northern	0.875	0.828
At Toronto:		
Milling Wheat*	0.630	0.580

Competitive Export Prices: (September) shipment:

	High Week to Sept. 21 $	Low Week to Sept. 21 $
No. 1 North. (Vanc.)	unquoted	
No. 2 North (Atlan.)	1.07½	1.02⅝
No. 2 North. (Vanc.)	unquoted	
Argentine Rosafe	0.97	0.90⅞
Do., Barusso	0.94	0.87¾
West Australian	0.96¼	0.90⅞
French	unquoted	
Russian	0.97⅞	0.90⅞

*New crop.

See 120 Million Bus. As Australian Crop

A tentative figure of 120,000,000 bushels is now being put on the forthcoming wheat crop in Australia. That, which is close to last year's yield represents a small crop, as Australia on several occasions has produced more than 200,000,000 bushels.

The prospective export surplus is about 65,000,000 bushels, but its weight on the international market is difficult to judge until it is ascertained how much wheat the Orient is likely to absorb. The Chinese crop commences to come on the market about May 1, and China usually gets along with few or no imports of wheat until about the end of the calendar year, and commences to buy about the time Australia is ready to export.

Perennial Growth Claimed For New Variety of Wheat

A new type of Russian wheat claimed to be perennial in character will be tested out in Texas next summer. It is claimed that this variety will reproduce over a period of six years without replanting. That being the case, of course, there would be a large saving in cost. J. D. Armend, of Stratford, Texas, who is to make the test, explains that the new variety was developed by cross-breeding an old Russian variety with a perennial Siberian grass, the roots of which remain alive during the coldest winter. It is supposed to be adapted for the extreme northern sections of Texas but probably would not survive without further acclimatizing.

Exchange Head

RUPERT C. REECE

Who was unanimously elected president of the Winnipeg Grain Exchange at its recent annual meeting.

SUBSIDIZED PLAN TO EXPORT WHEAT REJECTED BY U. S.

Farmers in Pacific Coast States Seeking Assistance

The agricultural administration of the United States has rejected proposals made to it for subsidized exporting of some 18,000,000 bushels of soft white wheat from Pacific Coast states. That is the only part of the country in which an uncomfortable surplus of wheat exists. Farmers of that area, seeing prices paid to them much below those prevailing for wheat in other parts of the country, because of its soft quality and the cost of internal freight rates, have been asking for special assistance.

Similar Aid

This aid would be along the lines of that tendered during the last two years, forcing a portion of their production into export channels, with the government paying the loss out of processing tax funds. This has been refused on the ground that exporting such wheat increases the quality of Canadian wheat imported.

The administration is evidently prepared to look with favor on some such importation to supply a deficiency in hard spring wheat relying on the duty of 42 cents a bushel to keep up the internal price of hard wheat. It is apprehensive, however, of objections from wheat growers if the importations amount to any great volume.

Canadian Interests

Canadian interests appear to be well served by such a decision, even if the quantity of exports of Canadian wheat to the United States is as a result lower. Any export of lower grade wheat would tend to keep higher the domestic prices of such wheat. Consequently it would likely reduce the quantity of poorer wheat that may be fed to livestock. Damage to the international market structure by subsidized exports has been considerable in recent years, and the prospect of being free from it this year is regarded as welcome.

Deal With Pests

Two insect pest outbreaks have been dealt with at Chatham, Ont. Sod webworms were extremely abundant throughout southwestern Ontario, injuring lawns and golf courses and feeding rather extensively on field crops. At the same time the spotted cutworm was in outbreak form, particularly affecting white clover and sugar beets.

Research Laboratory

D. MacAskill, general manager of the International Nickel Company, announces the company's intention to erect a chemical and research laboratory at Copper Cliff, construction to be commenced at an early date. The laboratory will be the most modern and fully equipped in Canada.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William (Sept. 20)	50,698,000	48,737,000	60,403,000
Country elevators (Sept. 20)	56,007,000	48,697,000	84,837,000
Total (all points), (Sept. 20)	220,862,000	206,904,000	223,669,000
World Shipments (incl. flour): Sept. 9:			
North American	2,161,000	2,645,000	3,056,000
Argentine	2,432,000	1,890,000	4,552,000
Australian	1,393,000	1,068,000	1,336,000
Black Sea	1,296,000	1,144,000	448,000
Total (world)	8,010,000	7,395,000	10,208,000
Visible Stock: Sept. 16:			
Canadian	205,811,000	184,730,000	217,376,000
United States	65,978,000	61,450,000	....
Argentine	10,654,000	11,022,000	19,005,000
Australian	25,000,000	27,496,000	45,000,000
Country Marketings and Exports:†			
Canadian exports (Sept. 20)	2,912,000	2,311,000	3,402,000
Cum. to Sept. 20 (7 weeks)	14,121,000	11,209,000	22,407,000
Country marketings (Sept. 6)	14,171,000	4,802,000	55,573,590
Cum. to Sept. 6 (5 weeks)	24,353,000	10,181,851	47,101,000
Country deliveries (Sept. 20)‡	65,429,000	45,712,000	82,469,000
Country loadings (Sept. 20)‡	48,167,000	35,706,000	58,304,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Sept. 24, 1935

Crop year from Aug. 1, 1935 High	Low		Open Sept. 18	High for week	Low for week	Close Sept. 24
		Wheat				
.95⅝	.82⅞	Oct.	.94	.95⅝	.92½	.92⅞
.96¼	.82⅝	Dec.	.94¾	.96¼	.92¾	.93¼
1.00	.85⅜	May	.97½	1.00	.96½	.97⅛
		Oats				
.35½	.31⅝	Oct.	.34	.34⅝	.31	.31⅝
.33⅛	.30	Dec.	.30⅝	.31⅜	.29½	.30⅝
.34⅛	.32⅝	May	.33	.34⅛	.31⅞	.33¼
		Barley				
.39⅛	.32⅛	Oct.	.38	.39⅛	.36½	.36¾
.39½	.32¾	Dec.	.38¼	.39½	.37¼	.37½
.42½	.36¾	May	.41⅝	.42½	.39⅞	.40½
		Flax				
1.47¼	1.21¼	Oct.	1.41	1.47¼	1.39	1.45½
1.47½	1.19¾	Dec.	1.39½	1.47½	1.38⅞	1.45⅝
1.52½	1.33	May	1.45⅝	1.52½	1.42	1.50¼
1.4[illegible]¼	1.39	Nov.	1.43	1.46¼	1.39	1.45¼
		Rye				
.45⅝	.36¾	Oct.	.44⅛	.45⅝	.42⅛	.43½
.46⅝	.38⅛	Dec.	.45¼	.46⅝	.43¼	.44⅞
.50⅛	.44⅝	May	.49½	.50⅛	.47	.48½

To Push Bread

American Millers Institute Programme to Increase Sale of Bread and Flour

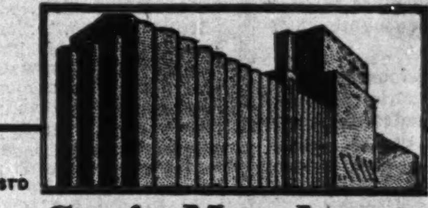
The programme of the American millers to increase the consumption of bread and other flour products is now getting under way in United States. At the June Convention of the Millers' Nation Federation, a fund of $250,000 was raised for publicity purposes. This will be devoted to advertising, research and field work in defence of bread as a food. Since the beginning of the century, the consumption of flour per capita in the United States has steadily declined from 1.145 to around three-quarters of a barrel.

Had per capita consumption of bread held up to the 1900 level in the last 35 years, millers now would be turning out 145 million barrels of flour annually instead of 100 millions. This would have meant an additional market for 175 million bushels of wheat and there would have been no surplus problem for Secretary Wallace to wrestle with in the last few years.

A chief opponent of the millers has been the propaganda of the beauty, food and dietary status particularly among women. The lithesome female figure objective of these persons in the last few years has seriously cut into the consumption of bread.

Another real factor in the situation has been the gradual change from millions of handworkers to office workers in the last generation or two. Outdoor work in the United States, as in other countries, has steadily declined with the increase in machines and one of the first things that man does when he changes his occupation from farming, lumbering or construction to the routine of an office is to cut down on his food consumption with bread the chief sufferer.

Following the depression when a large percentage of these office workers lost their jobs and many thousands were engaged in outdoor occupations both of a state and private nature, it was expected that the consumption of bread would show some increase but the millers were disappointed and hence at their recent convention, stated that drastic steps were necessary. Their campaign is now under way. In addition to the national levy some of the larger United States milling organizations are also carrying on private campaigns of their own. The programme, however, has not been in effect long enough to determine results.



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Bank Chat

An Ounce of Prevention

IN ORDER to meet the "ambush" type of bank hold-up, which has become much more popular with the better class robber, an authority on such matters offers the following advice: These hold-ups generally occur in the morning, just after the office has been opened. The robbers have either gained access to the bank during the night, or have followed one of the early arrivals into the premises, awaiting other employees, if necessary, who may have the vault combination.

The first precaution is to set the time lock on the vault as near as possible to the opening of the bank. Inside the vault is a safe or chest with another time lock, which is set for, say, an hour later. In this safe will be placed much of the reserve cash and all securities. Outside will be sufficient cash to cover the demands of the first hour of business, or until the remainder of the assets are available. Quite simple, if time locks have been installed, but none the less effective.

* * *

What's in a Name?

ONE method of relieving the monotony of comparing ledger accounts is related by a Royal Bank man. It was a hobby of his to tie up, wherever possible, the name of the customer with his occupation. When stationed in one particular village, whose population was only 175, his industry in this regard was well rewarded. Although the number of accounts was obviously much less than the 175 settlers, there was a large percentage of names which indicated the employment of the bearer. Sometimes, of course, the professional "tier-upper" has to use his imagination, and there are even occasions when technical definitions enter the picture.

For instance none but the initiated would recognize in the word blade a condition of wheat—the phrase "wheat is now in the shot blade" is quite a familiar term to those who know anything about farming or wheat. No suggestion is made, however, that Mr. Blade be described as "shot." Also in this little hamlet were Carpentier, the town carpenter, Wheatley, a farmer, and Coffin, the undertaker, Gravely, a butcher, was familiarly known as gravy, with no charge exacted for advertising. The school principal was named most appropriately in the view of certain pupils, Birtch. Even the bank manager himself, Stowell by name, was not immune; radicals in the neighborhood claimed that he stole their securities to secure advances.

* * *

Editor Retires

BANKING men generally will regret the retirement of C. P. C. Downman, who was editor of the Royal Bank magazine. Mr. Downman has been in large measure responsible for the excellence of this staff paper, which is of unusually high calibre. He left to take over the duties of director of publicity with Canadian Industries, Ltd. Former readers will wish him the very best in his new venture.

* * *

Big Game Hunting

PROBABLY having heard of the hoards which banks are supposed to have stored away in their vaults, a young squirrel was a recent visitor. Although some might have told the enterprising animal that he was "nuts" to try to take anything from a bank, even a loan, he scampered through the premises, much to the skirt raising chagrin of some of the feminine members of the staff who mistook him for a large rat.

Pausing before a mirror, the squirrel took no account of squatters rights of what he supposed to be another of his kind, and promptly gave battle At this point he was chased into the vault and literally "bagged" by the teller with a money bag.

* * *

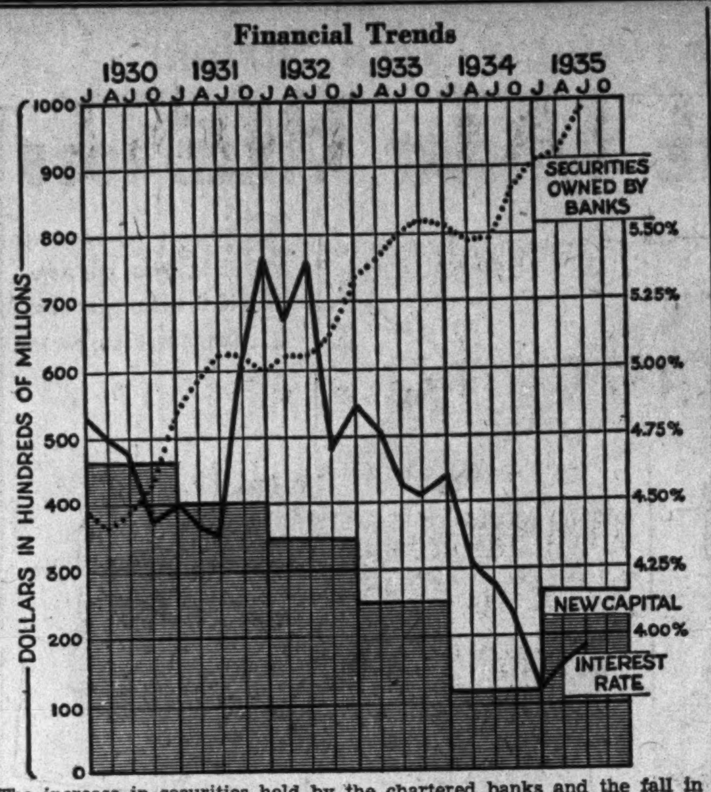
Public Relations Advertising

AT THE Financial Advertisers Association convention recently held in Atlantic City, members of the association pledged themselves to further an extensive campaign on public banking education. Throughout the discussion emphasis was laid on the necessity of building and maintaining faith in finance.

One speaker observed that banks could take a lesson from the insurance companies, which in recent years have brought the public to the realization that insurance is one of the safest and most dependable forms of investment. On the other hand banks have suffered from suspicion and antagonism, chiefly because their functions, responsibilities and limitations are not generally known.

Candn. Bank of Commerce Shuts Down Two Branches

The Canadian Bank of Commerce closed two branches during August, according to the monthly Bank Directory of Canada. These were at Anyox, B.C., and Mille Roches, Ont., the latter a sub branch. These were the only changes in the month, bringing the total branches of Canadian chartered banks to 3,637.



The increase in securities held by the chartered banks and the fall in interest rates on government bonds are clearly seen in the above chart. The scarcity of high grade investments, due to bank purchases, has tended to stimulate other loans, such as mortgages, at rates lower than have prevailed in the recent past. New capital issues to date this year are well above 1934 and are approaching the total for the year 1933.

Many Factors Affect U. S. Discount Canadian Funds

Harder for United States to Maintain Artificially Low Value of Dollar — Break in Bond Market is an Important Factor

Canada's money is selling at a discount in the United States. Why?

Two factors, obviously, could influence the situation. Either the Canadian dollar has weakened, or the United States dollar has strengthened, or both. Financial experts are wary of attributing the present condition to any one cause, or even to several causes. The subject is one, they say, on which any amount of theorizing may be done, but on which little can be proved by statistical fact.

Sterling Tie-up

Statistics do indicate, however, that the United States dollar has been rising in terms of sterling. It is generally considered that Canadian currency is influenced to a greater extent by the pound than by the U.S. dollar. Consequently, factors entering into the British American exchange rate are in part, at least, responsible for the fall in Canadian funds.

Domestic Factors

Apart from this entirely, however, there are domestic considerations which should be examined. In the first place, the election carries with it a great deal of uncertainty. There is a possibility that one of the more radical parties may gain the balance of power; there is a possibility that tariff and other trade regulations may be changed; and there is the recent suggestion of a debt conversion. Even if the last proposal were on a voluntary basis, as has been indicated, some business men are of the opinion that the big stick might be very thinly veiled.

Probably most important of internal influences, however, are the security markets. In the past few weeks, Canadian bond prices have dropped sharply. A substantial amount of selling has been done by United States holders, creating a demand for American currency.

Tourists and Exports

Tourist trade in Canada has passed its zenith for this year, and reduced income from this source must affect to some extent the international balance of payments. An unusually heavy export of certain lines of agricultural produce up to a few weeks ago also helped keep the Canadian dollar in line with the American. This export has now fallen off, following a decline in prices across the line.

Forward Demand

Bankers report quite a heavy forward demand for American funds. Some business men are apparently of the opinion that the discount on Canadian money will be still greater, and are buying at the present rate sufficient to meet commitments due in the future. In so far as this has been the cause of the present rift, conditions will naturally tend to right themselves as the payments are met.

Still another factor, one which underlies some of those already mentioned, is the disturbed European situation arising from the Italo-Ethiopian trouble. It is widely believed that Canada, as a member of the British Empire, will be bound in some measure by Great Britain's stand on the question.

Looking at the problem from the other end, it appears to some usually well informed experts that the United States is at the parting of the ways as far as her present monetary policy is concerned. For some time, it is felt, she has been employing her stabilization fund to maintain the dollar at an artificially low level in terms of sterling. Prices in the United States have not gone up nearly to the extent of dollar depreciation. It is becoming more difficult to keep the dollar cheap. Purchases of gold and silver, made for this purpose, are becoming harder to make. And this is for the simple reason that the States already holds over half of the world's available supply of monetary gold, and is considered to have a corner in the floating supply of silver. It has been estimated that further purchase of 150 million ounces of silver by the United States would dry up the supply unless the East released a large amount of its hoarded supply.

Funds Move to U.S.

Moreover, the war scare has prompted many in Europe to transfer their securities to the United States, which has given no indication of becoming embroiled in a possible war. For the same reason Americans are calling in their holdings abroad. The result is, of course, to relatively increase the price of the American dollar.

Thus there are influences which tend both to make the American dollar dearer and the Canadian dollar cheaper.

While the discount continues, Canadian exporters will enjoy the benefit of relatively lower selling prices for goods in terms of American money. On the other hand, interest payments and bond maturities payable in United States funds will require more Canadian money, and consequently will adversely affect those who have commitments due.

Weekly Bank Clearings

	Sept. 19 1935 $	Change year ago %	Sept. 12 1935 $
Halifax	2,223,228	+ 4.7	2,527,188
Saint John	1,731,971	+ 9.9	1,536,199
Moncton	765,620	+ 1.5	649,728
Sherbrooke	534,884	— 2.8	603,805
Quebec	4,088,361	+ 6.3	5,236,203
Montreal	83,337,410	+ 15.1	79,616,632
Ottawa	13,731,769	+220.7	18,204,095
Kingston	619,931	+ 2.3	524,653
Peterborough	659,971	+ 8.2	740,647
Toronto	112,275,492	+ 7.6	100,340,379
Hamilton	4,423,000	+ 15.1	4,267,337
Kitchener	1,007,673	+ 8.2	871,715
Brantford	805,519	+ 12.1	758,866
London	2,603,023	+ 11.1	2,763,484
Chatham	391,015	+ 5.5	401,938
Windsor	2,061,086	+ 8.6	2,077,746
Sarnia	431,631	+ 9.8	477,100
Sudbury	727,858	+ 7.7	857,650
Fort William	453,514	— 37.7	598,154
Winnipeg	57,642,670	— 3.3	60,307,386
Brandon	306,004	— 8.5	285,995
Regina	6,776,243	— 29.2	4,743,596
Moose Jaw	654,280	+ 9.4	573,622
Saskatoon	1,718,009	+ 1.3	1,491,805
Pr. Albert	369,717	+ 4.0	331,250
Edmonton	4,049,736	+ 1.9	3,419,122
Calgary	5,918,916	— 2.9	5,434,393
Medicine Hat	397,942	+ 36.1	359,894
Lethbridge	573,778	+ 12.8	556,461
N. W'minster	568,470	+ 13.2	613,954
Vancouver	16,651,105	+ 9.0	13,786,397
Victoria	1,613,826	+ 19.1	1,523,283

Bank of Canada Weekly Statement

Few important changes are revealed in last week's Bank of Canada statement. The upward trend of short term investments was resumed after a lapse in the previous week; net circulation gained another $1.6 million; and bank deposits were up $1.2 million.

Balance Sheet

Weeks Ending:	Sept. 18 $	Sept. 11 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	84,776,579	83,154,842
Dep.: Dominion	20,668,103	20,674,483
Banks	185,118,281	183,901,664
Other	658,420	482,658
Total deposits	206,444,805	205,058,805
All other liabs.	1,406,829	1,197,188
Total liabilities	297,628,213	294,410,835
Assets		
Reserve: Gold	180,526,457	179,938,330
Silver bullion	1,453,494	1,439,175
Res. in sterling	491,271	168,014
Res. in U. S.	9,229,843	8,154,928
Res. elsewhere	6,149	6,090
Total reserve	191,707,213	189,706,537
Subsidiary coin	307,056	283,490
Adv. to govt.	1,241,250	1,237,500
Investments:		
Dom. govt. short	23,044,848	21,160,832
Other Dom. govt.	29,510,037	79,792,787
Total invest.	102,554,885	100,953,619
Premises	124,017	119,935
All other assets	1,693,792	2,109,752
Total assets	297,628,213	294,410,435
Reserve ratio	65.83%	65.82%

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Sept. 17	Sept. 18	Sept. 19	Sept. 20	Sept. 21	Sept. 23
U. S. dollar, High	.5906	1.00⅝	1.00⅞	1.00[illegible]	1.00¾	1.00[illegible]	1.00⅝
Low	.5906	1.00½	1.00[illegible]	1.00[illegible]	1.00	1.00[illegible]	1.00¼
1934, High	.5906	.97[illegible]	.97[illegible]	.97[illegible]	.97[illegible]	.97[illegible]	.96[illegible]
Low	.5906	.97[illegible]	.97[illegible]	.97	.96[illegible]	.96[illegible]	.96[illegible]
U. K. pound	4.8665	4.96½	4.96	4.97	4.99¾	4.99½	4.98
Argentina	.4246	.2707	.2707	.2727	.2812	.2834	.2828
Australia	4.8665	3.9637	3.9627	3.9704	3.9683	3.9937	3.9790
Austria	.1407	.1907	.1904	.1910	.1923	.1929¾	.1919¾
Belgium	.1392	.1700	.1699	.1704	.1716½	.1716	.1712
Brazil	.1963	.0573½	.0553	.0555¼	.0559½	.0559	.0552
Czechoslovakia	.0296	.0416¾	.0416¾	.0418¼	.0421¼	.0420¾	.0419½
Denmark	.2680	.2308¾	.2216	.2222¼	.2233	.2230½	.2225¾
France	.0392	.0663¼	.0663	.0665	.0670	.0669½	.0668
Germany	.2382	.4051	.4050	.4063	.4092	.4091	.4077¾
Greece	.013	.0095¼	.0095¼	.0095½	.0095¾	.0095¾	.0095½
Holland	.4020	.6792	.6802	.6830½	.6892½	.6882	.6846½
Hungary	.1749	.2983½	.2982½	.2993¾	.3011¾	.3008	.3004
India	.3650	.3790½	.3783¼	.3802½	.3813½	.3804¾	.3787
Italy	.0526	.0819¼	.0818¾	.0821¾	.0828¼	.0826¾	.0824
Japan	.4985	.2924	.2917	.2920	.2925	.2921¾	.2920
Jugoslavia	.1929	.0230¼	.0230	.0231	.0232¾	.0232¾	.0232¼
New Zealand	4.8665	4.0036	4.0027	4.0104	4.0285	4.0340	4.0192
Norway	.2680	.2495½	.2493¾	.2501	.2512	.2510	.2506
Poland	.1122	.1905	.1903	.1909	.1921	.1922	.1918
South Africa	4.8665	4.9396	4.9385	4.9480	4.9704	4.9772	4.9588
Spain	.1930	.1375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	.2680	.252	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switzerland	.1930	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hong Kong	[illegible]	.5157	.5140	.5134	.5204½	.5117¾	.5070¾

B.C. MUNICIPALITIES SLIPPING BEHIND IN THEIR FINANCES

Revenue in 1934 Greater Than 1933 But Expenditures Up

From Our Own Correspondent

VANCOUVER.—Municipalities of British Columbia collected more revenue in 1934 than in 1933, but their expenditures were greater. While increasing income has given a false impression of improved finances, the municipalities have actually been slipping behind. They went behind $1,803,177 on current account last year.

That is one of the key facts developed by E. H. Bridgman, deputy minister of municipalities, in his first annual report on the condition of municipal affairs in B.C. Mr. Bridgman succeeded the late Robert Baird in office a few months ago.

Tax Load on Land

Mr. Bridgman feels that there should be a further reduction in the tax load placed on land. He believes that land is bearing all the burden it can stand, and that tax sales have recently served only one purpose—to increase the holdings of the cities, because purchases at these sales have been unsatisfactory and the lots offered have reverted to the municipalities and thus become non-revenue producing. Ability of taxpayers to meet payments is no better than formerly, he says.

The one bright spot in the municipal picture, as seen by Mr. Bridgman, is that the municipalities are not borrowing as much as they used to do. Money by-laws passed by all municipalities in the province last year amounted to only $169,408, and loans obtained for relief purposes dropped $185,000 from the total of the previous year.

More Than Province

The province's 33 cities, 28 district municipalities and 18 villages spent $29,039,749 last year, as compared with $28,624, 754 in 1933. Collections were $27,236,177. The municipalities actually spent more than the provincial government, but their deficit is much smaller, due in part to unemployment costs and sinking shortages.

The municipalities ended the year with $12,585,898 owing in uncollected taxes, with a shortage of $7,648,656 in the combined sinking funds, and in possession of tax sales lands assessed at $11,030,377. Exclusive of relief loans, government assistance totalled $1,727,448 during the year, and social service charges remained unchanged.

Total Debt

The total municipal debt is placed at $140,086,769, a small increase from the figure of $139,928,285 in the previous year.

But shortages in sinking funds increased during the year from $6,063,495 to $7,648,656.

Arrears of taxes likewise increased. They rose from $11,105,492 in 1933 to $12,585,898 in 1933, an increase of nearly $1,500,000.

GREY & BRUCE HOLDS PROFIT AT 1934 LEVEL

Business of the Grey & Bruce Trust and Savings Co., of Owen Sound is officially stated to be "encouraging," in view of the unusual conditions prevailing both in the mortgage and the bond markets. Earnings are running about the same as last year despite lower mortgage rates and a lower return from bond holdings. Overhead expenses are practically the same. Estates business shows a fair increase, "but nothing spectacular."

Since the beginning of the year, real estate on hand has increased $28,000, while mortgage holdings have dropped $21,000. Bond holdings and cash on hand have increased approximately $200,000; and deposits and guaranteed investments $151,000. Liquidity for depositors now stands at 120 per cent. The increase of cash on hand arose from bond profits, and the money is being held for repurchase when it is felt that the market has become sufficiently stable.

Central Banker Sees B. C. Official

From Our Own Correspondent

VANCOUVER.—Various interpretations are being placed on the recent conference between Hon. John Hart, B.C. minister of finance, and Donald Gordon, secretary of the Bank of Canada, in Victoria a few days ago. One is that Mr. Hart discussed with Mr. Gordon the province's hopes respecting the refunding of a part of British Coumbia's provincial debt, amounting to approximately $127,000,000.

In his last two budgets Mr. Hart has referred to the prospect of refunding, excluding from consideration in this respect the London loans protected by the Colonial Inscribed Stock Act, on which sinking fund payments have been regularly maintained.

Mr. Hart has been hoping to refund funded and floating debt at 3½ per cent or less. Any contemplated financing, however, is believed to have been disturbed seriously by the recent slump of prices for all classes of Canadian government bonds.

Mexican Court Orders Seizure Bank Property

Mexican courts have ordered confiscation of the properties of the Bank of Montreal to satisfy a judgment of almost $500,000, according to reports from Pueblo. The order follows a judgment recently obtained against the bank by a number of industrial companies, who sought recovery of stocks and other property which they said had been placed with the bank as collateral for advances and not returned.

The bank discontinued its business in Mexico some months ago.

Municipal Finances

Regina's relief bill for the year to Sept. 7 was $70,682 above that of the same period a year ago. Relief department figures showed the total cost of relief this year to be $718,500.

* * *

Calgary's financial worries will be increased by an attack on the present system of assessment of taxation on property within the city limits. An action will go to trial seeking to have the court declare the city by-law ultra-vires in which authorization was given to adopt the 1934 revised assessment role and the valuation for taxation purposes in 1935.

* * *

La Fleche, a village in Saskatchewan, has decided that the sum of $46,626 must be levied for municipal purposes and so a levy of 11 mills has been set as the municipal tax rate for 1935. This tax rate is one mill lower than the rate for last year.

* * *

Vancouver's police committee of the city council finds that some $76,418 only remains for the operation of the police department until the end of the year. Or according to last month's calculations, enough to operate the department for one month. Police department estimates amount to $675,000.

* * *

Edmonton city council is to debate a motion asking for a more equitable distribution from the province of taxes collected within the municipality. The council has received a notice of motion from Alderman Macdonald. It is proposed that the request be acceded to or that the new government take over the social and educational services. A similar request to the former U.F.A. government failed.

* * *

Laval des Rapides, Quebec, has been authorized by the Quebec municipal commission to deposit in special account in the Banque Canadienne Nationale, the necessary funds to cover payment of coupons due on or prior to May 1, 1934.

* * *

Calgary expended $536,710 for unemployment relief to married jobless men and their families during the first eight months of the year, G. A. Hookway, city comptroller, has advised the city commissioner. Only $157,000 of the original appropriation of $695,000 is available for the last four months of the year.

* * *

York Township's building permits to date this year are double those of the same period in 1934. The increase is put down to the general tax exemption by-law which is graded over a five-year period. Permits to the end of last month were $864,550. August's permits jumped from $78,400 in 1934 to $108,850 this year.

* * *

Brandon, Man. city council has received notice of motion to the effect that the municipality ask the Manitoba government to appoint a supervisor for the city. This action was taken following a report on the financial condition of the city by Mayor Cater. In the report it was shown that on Sept. 12 the receipts were $101,000 less than on the same date in 1934. The council has been considering seeking a supervisor for some months.

* * *

Montreal's discount for prepayment of taxes is now discontinued with some $5,000,000 in the treasury on which the paying proprietors reaped advantage at the rate of 4½ per cent. This compares with receipts of $3,500,000 last year at the same time.

* * *

Winnipeg's realty tax receipts at the end of August were $90,000 less than collections at the same date last year, H. B. Thompson, city treasurer, has announced. Current collections were up $45,000 but collections on arrears were down $135,000. Collections on account of business tax amounted to $288,000 compared with $287,000 in the corresponding month of 1934.

* * *

Calgary reports an increase of 4.56 per cent in the amount of arrears of taxes collected compared with last year and an increase of 1.16 per cent in current levy collections. Collections including total taxes, arrears and current, up to the end of August, amounted to $2,021,942. Of this amount more than $500,000 was represented by collections of arrears of taxes. Balance of taxes outstanding August 31, current and arrears amounted to $2,027,908. Of this amount, $831,248 was represented by arrears.

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SECOND SECTION

Vol. XXIX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 28, 1935 | 10c a Copy; $5.00 a Year | No. 39

Price Not Volume Is Newsprint Industry's Chief Problem

Dominion Recovers Most of Lost Ground In World Paper Trade

General Newsprint Survey Shows Natural Forces Working Away from Buyers to a Sellers' Market

CANADA SHOULD FEEL BENEFITS

With Normal Increase in Price of Newsprint, Domestic Mills Stand to Receive Chief Benefit from Increasing World Demand

By R. K. MARTIN
Secretary, Newsprint Export Manufacturers Association of Canada

Although the newsprint industry in Canada is still beset by pressing problems there are now indications that natural forces of world supply and demand are working toward a reaction from the extreme buyer's market of recent years.

According to Newsprint Service Bureau figures, the world production (and apparent consumption) of newsprint paper reached a new high mark of 7,342,000 short tons in 1934, a gain of 921,000 tons over 1933. The size of this figure was due to record consumption in overseas markets which have been steadily increasing their share of total world consumption as can be seen from the following figures:

WORLD CONSUMPTION
(in 000 short tons)

	1927	1929	1932	1934
U.S.A. & Canada	3,639	4,013	2,937	3,340
Rest of world ..	2,685	3,312	3,338	4,002
Total	6,324	7,325	6,275	7,342
(in percentages)				
U.S.A. & Canada	57.6	54.8	56.8	45.5
Rest of world ..	42.4	45.2	53.2	54.5

Decline in Demand

In other words, while 1934 consumption in the United States and Canada was 403,000 tons above 1932, it was still 673,000 tons below 1929's record figures, and 299,000 tons below 1927. The extent of the decrease in North American consumption is sometimes overlooked due to the fact that the current production of the Canadian industry is on approximately the same level as 1929. The principal reason for this is that U. S. production has decreased to the extent of some 450,000 tons per annum since 1929.

On the other hand, in 1934, the rest of the world used 690,000 tons more newsprint than in 1929. In spite of depressed general business conditions, overseas markets have steadily increased their demand for newsprint and particularly their share of the total market.

Overseas Market Leads

The following two tables show the consumption of the more advanced individual markets and also contrast their per capita consumption of newsprint with that of the United States.

CONSUMPTION IN INDIVIDUAL MARKETS
(in 000 short tons)

	1927	1929	1932	1934
United States	3,457	3,794	2,791	3,143
United Kingdom.	844	927	1,060	1,291
France	235	389	356	400
Japan	227	231	275	381
Germany	349	451	337	391
Russia	85	107	125	183
Australia & N. Z.	174	196	135	181
Argentina	75	88	137	161
Holland	69	77	94	101
Scandinavia	107	127	134	147
All others	520	719	685	766
Total overseas ...	2,685	3,312	3,338	4,002

PER CAPITA CONSUMPTION OF NEWSPRINT IN INDIVIDUAL MARKETS
(In pounds per capita)

	1927	1929	1932	1934
United States	58.	62.	45.5	48.
United Kingdom.	37.5	41.2	47.1	57.5
France	11.3	18.7	17.0	19.0
Germany	10.9	13.9	10.4	11.6
Japan	7.6	7.6	9.0	11.7
Russia	1.1	1.4	1.7	2.4
Australia & N. Z.	43.5	48.4	32.9	43.9
Argentina	13.1	15.1	23.2	27.0
Holland	17.5	19.3	23.5	24.9
Scandinavia	13.5	15.9	16.6	18.0

Show Main Trends

These figures are necessarily approximations but serve to show the main trends. Per capita position today in the majority of countries is radically different from 1927. The largest increases have occurred in England, Argentina, Holland, Russia and Japan. Australasia and Germany (partly due to censorship) have shown very little change. The United States alone has recorded a substantial drop. Per capita figures for Japan are based on Japan proper and do not include 30,000,000 people in Korea, Formosa and other areas which would make the per capita figures much lower.

Looking at the world as a whole and remembering that international trade during the last five years has been hampered as never before by tariffs, quotas, censorship and exchange restrictions, it seems remarkable that the demand for newsprint has expanded to the extent that it has. Although some markets show signs of saturation, improved economic conditions seem certain to result in a larger demand for newsprint.

We have seen that world production and apparent consumption reached an all-time high of 7,342,000 tons in 1934, and that there are indications of increased world consumption in the future.

Question of Supply

The supply side of the newsprint problem is not nearly as satisfactory, due to:

1. A very considerable over-expansion, 1925-1929 (particularly in North America) which gave the world too low an operating ratio even in 1929. In fact, the situation in 1929 discounted future increases in demand by nearly 1,500,000 tons.

2. Considerable further building, 1930-1935, which has much more than offset the 600,000 tons or so of high cost capacity in the United States, Germany and other countries, which has been more or less permanently shut down or transferred to other grades of paper production.

Add to Capacity

The new capacity which has become available for production since 1930 has been partly due to construction started before that date partly to improvements in existing machines or inaccuracy in capacity ratings, but principally to expansion in England, France, Finland, Russia and Japan. The following figures, taken from usually accepted sources, show the principal increases in capacity since 1929.

INCREASES IN CAPACITY
(in 000 short tons)

	1929	1935
Canada	3,206	3,900
France	149	480
United Kingdom	751	977
Finland	220	350
Russia	?90	?190
Japan	?286	?372
Newfoundland	244	352

?Unverified.

Add Million Tons

The total increase in this group amounts to 1,678,000 tons per annum, so that even after world capacity decreases of say 600,000 tons are deducted, there has been a net increase of capacity of over 1,000,000 tons since 1929, while to date total consumption is very little more than in 1929.

New building has tapered off to some extent during the past year but in Finland a new machine is due to start operations in January, 1936, and a new machine has recently been ordered by Holland and another by Japan. In addition a certain amount of renovations and improvements to existing equipment is in progress throughout the world.

Cover Domestic Needs

Apart from Finland, Newfoundland and the increase in Canada, this expansion was created to look after sharply increased domestic demand in England, France, Russia and Japan, which have apparently preferred to make themselves largely self-sufficient in newsprint, although England and France are, of course, dependent upon Scandinavian and Baltic pulp. This has meant that the exporting countries, Canada, Newfoundland and Scandinavia, have not increased their overseas sales of newsprint to the extent that they otherwise would have. It is obvious, however, that this expansion in Europe cannot continue beyond the wood capacity of the Scandinavian and Baltic countries.

It is estimated by Scandinavians themselves that the annual cut in Sweden, Norway and Finland exceeds the annual growth by an appreciable margin. Recently, there has been agitation in Sweden and Norway against over-exploitation of the forests. All in all, it seems probable that the Scandinavian expansion of the last few years cannot be continued very much longer. There is, however, a considerable potential supply in Russia which is already selling pulp wood in England.

Current Newsprint Situation

The following table shows estimated world capacity in 1935, production in 1934 and the possible excess capacity by countries:

WORLD CAPACITY
(in 000 short tons)

	Est. Capacity 1935	Production 1934	Indicated Excess Capacity
Canada	3,900	2,600	1,300
Newfoundland ..	353	316	36
United Kingdom	977	940	37
U. S. A.	1,194*	957	237
Germany	780	446	334
France	480	353	127
Finland	350	316	34
Japan	375?	344	31?
Sweden	336	272	64
Russia	190?	190	..
Norway	200†	155	45
Austria	120	50	70
Netherlands	94	92	2
All others	396	311	85
Totals	9,744	7,342	2,402

*Estimated.
†Theoretical rated capacity is 270,000 but some 70,000 tons of this is used for other grades.
?Unverified.

World Capacity 9.7 million Tons

The present world capacity, as estimated in the table above is 9,744,000 tons which would mean that in 1934 the world's operating ratio was 75 per cent and the apparent excess capacity 2,402,000 tons. On the face of it, this seems a very unsatisfactory position but the situa-

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IS IT GOING TO GET OVER THE BAR?

Will Take Some Time Rehabilitate Industry

Many Financial Reorganizations Seen Facing Paper Companies

Near record production of newsprint and brighter prospects for a price increase on 1936 deliveries, have brought renewed hope to investors who have held pulp and paper securities through the past five discouraging years. There was a time when newsprint securities were regarded as the soundest of Canadian issues, but the demoralization of the industry, brought on by unrestrained development, resulted in the wiping out of tens of millions of dollars in the value of newsprint companies' bonds and stocks.

Throughout this country, the United States and Great Britain are many thousands of investors who have retained their holdings in the hope that one day the industry would come back and their investments return to their once high standing. Until of late it has not been possible to hold out much hope, but new developments are more encouraging than they have been for a long time. This does not necessarily mean that in a matter of months newsprint securities are going to experience any rapid rise in value or that interest or dividend payments will be resumed. There is little likelihood of that. But the groundwork is being laid, which should be the means of gradually restoring the industry to a point where it can again earn enough to pay something on the capital investment.

Clear Away Wreckage

Before that hoped-for event takes place, a considerable amount of corporate wreckage will have to be cleared away. Up to date five major newsprint operators have gone into bankruptcy—four are still in the hands of receivers. Of the balance of pulp and paper producers, the greater number have deferred dividend payments or are having considerable difficulty in meeting bond interest payments.

No major reorganization or rehabilitation scheme is likely to be carried out by any company until such time as conditions are definitely on the upswing. In the event that the manufacturers are able to secure a better price for their product next year, the chances are that steps will be taken to bring about a number of financial reorganizations during 1936.

Great Lakes Comes First

Of the four bankrupt newsprint companies Great Lakes Paper Co.'s affairs are likely to receive first attention. The present position of this company is reviewed elsewhere in this issue.

Abitibi and Price

Abitibi Power and Paper Corp. continues to operate under receivership. No plans have been made for an early reorganization of this enterprise. In any event it is expected that the security holders will have to take a substantial reduction in their holdings in order to bring the capitalization down in line with present and anticipated earning power. An Ontario and Quebec group are interested in this property, but to date they have not put forward a definite plan.

Price Bros. and Co. affairs have been given considerable attention since the company went into bankruptcy in 1932. This company has valuable properties and at one time or another different schemes have been put forward for the financial rehabilitation of the company. These have been blocked by one group or another of security holders. Consequently there is no firm proposal before the bondholders' protective committee for a reorganization. Other schemes are likely to be put forward before long but the successful rehabilitation of the company appears to depend upon a more liberal spirit of give and take among the interested creditors.

One in the States

Minnesota and Ontario is the remaining major newsprint manufacturer in bankruptcy. Investment interest in this company is primarily American, but there are a number of Canadian investors financially interested in the property. Operations are being carried on by the receivers and there does not appear to be any immediate likelihood of a reorganization. While other properties have been investigated by financial interests, Minnesota and Ontario seems to have had little appeal.

Consolidated Faces Problem

While reorganization of the foregoing companies is on the cards there are a number of other pulp and paper operators which are likely to consider a reorganization or an adjustment of their financial affairs. Consolidated Paper, the outcome of the bankrupt Canada Power and Paper Corp., is faced with the necessity of paying interest on its funded debt commencing with July, 1936. Under present conditions this company is not in a position to pay interest. A further increase in tonnage and a better price for newsprint may enable the company to meet charges in 1936, but the outlook for 1937 is somewhat doubtful.

Others Have Difficulties

Canadian International Paper has been having some difficulty in earning its bond interest charges. The associated companies in the United States—the International group—have been experiencing difficulties. A higher price for newsprint paper would do much to restore this company's earning power.

On the Pacific Coast B. C. Pulp has been experiencing some difficulties in meeting interest charges. The trade war between Canada and Japan has not helped and there is a possibility that the company may seek further concessions from the bondholders.

Other Groups No Better

Conditions among the fine paper manufacturers have been appreciably better than in the case of newsprint operators. Howard Smith, Rolland Paper and Provincial Paper have felt the effects of the depression. Earning power has declined and in the case of Howard Smith the management found it necessary to defer dividends. In the last year and a half conditions have tended to improve. Earning power of all three operators has been more satisfactory and the chances are that Howard Smith will shortly resume dividend payments on its preferred, bringing that company in line with Provincial and Rolland which have been able to maintain dividend payments throughout the depression.

The paper box manufacturers appear to have passed through the worst of their troubles. Reorganizations have been necessary, but affairs of the industry have been for the better of late and further improvement is expected.

More Advertising Helps Paper Sales

Advertising linage in American daily newspapers continues to be the best barometer of the demand for newsprint. Advertising controls the size of a paper and an increase or decrease is promptly reflected in the consumption of newsprint. Last year Canada increased its shipments of newsprint to the United States by over 400,000 tons, reflecting the gain in advertising linage of more than 113 million lines or 10.6 per cent as compared with 1934.

During the first seven months of the current year advertising in the principal market papers has increased by around 38 million lines. Consumption of newsprint has increased nearly 100,000 tons, but of this amount Canada has supplied only 16,000 tons. The balance of the increase has been made up largely of imports from Europe.

PAPER OUTPUT NEARS RECORD BOOM YEARS

Returns Within One Per Cent All-time High

OPERATING RATIO UP

Stress on the financial and corporate difficulties of the manufacturers, has overshadowed the fact that newsprint production in Canada for the first seven months of this year was within one per cent of the record output reported for the corresponding period of 1929.

This is a remarkable showing and one unequalled by any other major branch of Canadian economic endeavor. While there has been substantial recovery from the low point of the depression years the showing made by the newsprint industry is especially impressive when it is considered that many economists hold the belief that it will be many years before business is again up to the 1929 level.

Started Last Year

The improvement in newsprint operations commenced in the early part of 1934. By the end of the year production had increased by nearly 500,000 tons over that for 1933.

Increased demand from the United States has accounted for the major share of the larger production. At the same time sales in other markets, notably those in South America and the Orient have helped the Canadian mills to recover all of the ground lost in 1931, 1932 and 1933.

May Set New Record

At the present rate of progress it is possible that production for 1935 will equal if not exceed that for the record year 1929. By the end of July last, output was within 21,000 tons of that reported during the first seven months of 1929, and as the recent trend has been upward prospects are the returns for the full year will be greater than that reported in any other year of the industry's history.

The extent of the improvement in Canadian newsprint production since the beginning of 1934 is shown in the following table:

Returns for January to July

	Total Tons	% of 1929
1935	1,519,160	99
1934	1,471,522	96
1933	1,075,561	70
1932	1,143,030	74
1931	1,335,494	87
1930	1,503,415	98
1929	1,540,343	100
1928	1,345,687	87

Again Setting the Pace

The gains made by the Canadian industry have been, to some extent, at the expense of American mills. The continued low price of news-

(Continued on page 14)

Newsprint Operators Look for Higher Price Next Step in Recovery

Practically All Operators Now Working to Secure Upward Revision of Schedule on 1936 Deliveries

GREATER CO-OPERATION ENCOURAGING FACTOR

Conditions Which Militated Against Price Increase in 1934 Have Disappeared — Present Situation Holds Out Hope That Operators Will Get Badly Needed Increase in Revenues

BY JOHN LANGDON

Demand for newsprint paper has made a remarkable recovery in the last 18 months and the next hurdle to be overcome on the road to recovery is collective action by the manufacturers in securing a price for their product which will permit more profitable operations.

Conditions are favorable for a price increase—better than they have been at any time in the last five years. Marketing operations are relatively stable; consumption of newsprint continues to rise steadily; while there is a greater degree of unanimity among manufacturers as to a common policy.

there is still a sense of uncertainty
With all these favorable factors, as to the immediate trend of affairs. Experience of recent years has shown that it is unwise to anticipate developments, even though there is better than average assurance that they will eventuate. There is no telling but that at the last moment there may occur a break in the ranks—such as happened in the fall of 1934—so that optimism over the present outlook is tempered with caution.

Given a better price for their newsprint in 1936, the position of the manufacturers in Canada and the United States will be materially improved especially from the point of view of finances. Operations in the woods and mills have been placed on a sounder basis than ever before in the history of the industry and it only remains to secure a better price for newsprint to place the industry on the way to recovery.

The importance of a price increase for newsprint at this juncture can be appreciated only by a knowledge of the events leading up to the present unsatisfactory situation.

Canada Comes Into Own

When the United States placed newsprint on the import free list, the enormous timber limits and cheap hydro-electric power resources of Canada attracted millions of dollars of capital from the United States, England and investors at home. New mills were established and production rapidly increased. Newsprint prices were satisfactory and the demand from the States was great enough to take care of the additional supply.

At the beginning of 1920 Canada's newsprint mills had a daily capacity in the neighborhood of 3,000 tons. The price of newsprint at the mill was $130 a ton.

Unrestricted Expansion

The post-war depression halted expansion, but the newsprint situation continued to afford such attraction to capital that it was not long before additional developments were under way. By 1925 the capacity of Canadian mills was 5,250 tons daily. Then came the period of unrestricted expansion, and by the beginning of 1929 daily capacity had passed the 10,000 ton mark.

Demand for newsprint paper kept pace despite this abnormal expansion of productive facilities. In 1929 Canadian mills turned out a record production. But the following year the depression set in; advertising linage fell off; and publishers had perforce to reduce their requirements of newsprint.

At that point the situation was not too bad, but promoters had under way further expansion in the Canadian newsprint industry and during the first three years of the depression—to the end of 1932—newsprint machine installations were increased by roughly 25 per cent.

Newsprint Price Broke

The results of such unrestricted development were inevitable. The market broke and the price of newsprint, which had been steadily declining from the high of 1920 turned down sharply. In 1928, for example, newsprint was being sold at the mill for $65 a ton. The following year the official price quoted was $62 a ton, but this figure included transportation costs, which cost the producer an average of nearly $6 a ton.

The struggle of the older-established companies to retain their business and the keen competition provided by the new mills for a share of the market, brought about successive price cuts until by the end of 1933 newsprint was being delivered in New York and Chicago at $40 a ton.

Net Return Low

This figure is apt to be misleading, as it represents the gross price received by the manufacturer on American shipments only. Consideration should be given to commissions, rebates and other concessions, transportation costs, and allowance made for the lower price on exports to overseas markets. With these factors taken into consideration, the Canadian newsprint manufacturer has been netting less than $32 a ton at the mill on all sales in the last year and a half.

The extent of this abnormal drop can better be appreciated by examining the price of newsprint paper in the pre-war years. Between 1910 and 1914 the manufacturer received a net price of $40 to $41.20 a ton at the mill, or approximately one third more than received today, despite a doubling of transportation costs, higher wage rates and increased costs of wood supply and other material going into the manufacture of newsprint paper.

Went Into Bankruptcy

The collapse of the Canadian newsprint industry—which ranks next to wheat in importance in maintaining the Dominion's favorable balance of trade—naturally had its effect on the individual operators. Unable to earn anything like an adequate return on the capital investment, five of the largest companies have been forced into bankruptcy. Others would have done likewise, had it not been for the absence of fixed charges, while those who have managed to pay interest charges have done so only with the greatest of difficulty.

Thus in the last three and a half years the Canadian industry has been in a state of semi-bankruptcy. During the greater part of this period the operators have been able to do very little to improve their position. The time when they could dictate price to the publisher had passed. The market became one for the buyer rather than the seller.

Demand Picks Up

In 1934 the manufacturers secured their first "break." Demand for newsprint started ahead at a rapid rate and by the end of the year production was within a few per centum of the record output in 1929.

Despite the improvement the market continued to be a buyers' rather than a sellers' market, for the near record production did not mean capacity operations because of the additional machine installations after 1929. Encouraged by the improvement, however, the producers attempted to secure a price increase in the fall of 1934.

Distribution of Tonnage

The scramble for tonnage following the break in the market after 1929 naturally produced a condition where some operators were able to keep their mills going at capacity, while others did not employ more than half. This created a "long" and "short" situation.

The "shorts" were content to take business at any price in order to keep their mills operating, while the "longs" were anxious to better the price in order to improve their financial position. Obviously those companies with capacity or near capacity business could not secure a price increase without the co-operation of the less fortunate companies.

Co-operation Essential

This co-operation was essential. In the first place the short companies could not be expected to co-operate with half and even more of idle mill capacity. To secure their support it was obligatory on the parts of the long companies to provide for a better distribution of the available tonnage. Many of the long companies were of the opinion that they could only carry on by holding their then existing volume of business. By giving up tonnage in the hope of a better price—which would place them in a stronger financial position—they were only jeopardizing their own position.

Contracts Are Drawback

The second reason why the co-operation of the short companies was essential to the success of any price increasing plan is to be seen in the form of contracts sponsored by the industry. Contract newsprint is sold at one price. A publisher with a contract for 500 tons secures the same price as the publisher using 100,000 tons annually. As a measure of protection to the publishers, all contracts have been drawn up on the basis that the price paid is fixed by any mill having a productive capacity of 100,000 tons or more a year. These contracts naturally vary as to the maximum or minimum price terms, but essentially any mill of the recognized capacity can fix the price for all other mills.

This type of contract has turned out to be exceedingly costly to the industry as a whole, but as it still exists for the greater part of the available tonnage in the American market, it must be considered by the manufacturers in attempting to advance the price of newsprint.

Abortive Attempt in 1934

In the fall of 1934, therefore, the long companies thought the time opportune to attempt to raise prices. They realized that collective action must be taken because if one of the major operators contracted for 1935 deliveries at the old price their efforts would go for nought. It was also recognized that an allotment of tonnage must be made to keep the short companies in line.

While these plans were in process of their being worked out, St. Lawrence Paper Mills contracted to deliver to Hearst and Scripps-Howard a block of newsprint during 1935 at the 1934 prices.

This was a serious blow to the

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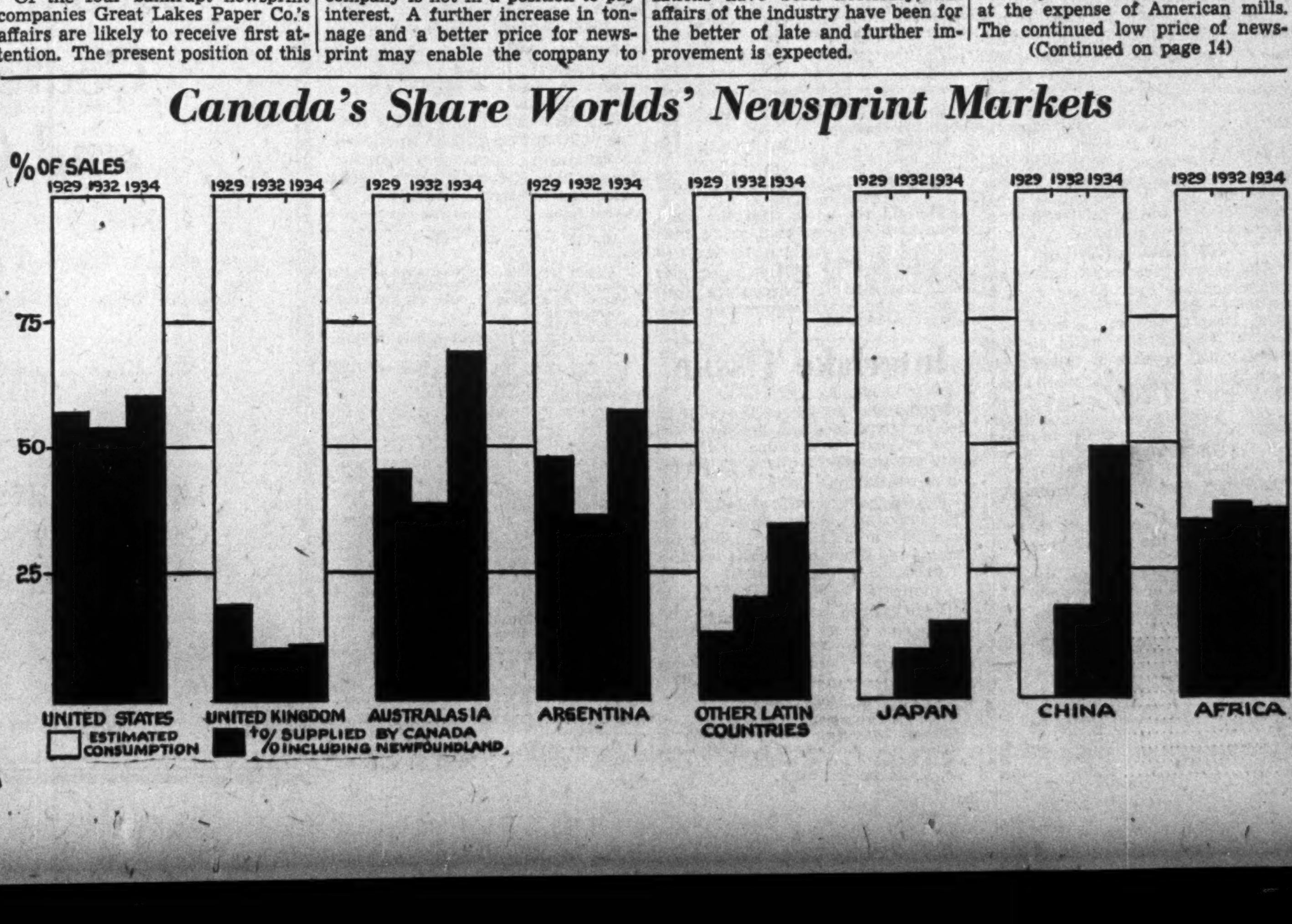
Canada's Share Worlds' Newsprint Markets



Abitibi Power & Paper

Four Mills Are Now Operating at Iroquois Falls, Thunder Bay, Sault Ste. Marie and Pine Falls — Sales Higher

Abitibi Power & Paper Co. has continued the improvement shown in 1934. It is not yet earning sufficient to warrant a reorganization plan being brought forward but the situation is so far improved that four mills are operating now where only two mills were reported at the end of 1934. The mills operating are at Iroquois Falls, Sault Ste. Marie, Thunder Bay and Pine Falls, the last two resuming in 1935. These are important mills of the company and though they are not now operating at capacity this spreading of production also spreads employment. The additional mills, it is understood, would not be undertaken if it were not financially feasible. Strong pressure has for some years been exerted by the Manitoba Government to have the Pine Falls mill operated. It is a low-cost mill and opening whenever market demand would allow has always been intended.

Reorganization Delayed

Reorganization of the capital structure is still considered to be impracticable until the industry has further revived and the price situation is stronger. Bondholders and preferred shareholders have therefore both agreed to formation of new protective committees. The mandate of the old bondholders committee expired June 10 and that of the preferred shareholders also during 1935. An additional period has, therefore, been given for this company to draw clear of the embarrassments left it as a result of heavy commitments made prior to receivership and to get on some basis which would permit the reorganization to have a direct relation to actualities and reasonable future prospects.

Doing Better

The company has operated under a receivership since September 10, 1932. It earned a little over $1 million in the 15½ months ended December 31, 1933, and $953,928 in 1934, a higher proportionate rate. As the price situation has remained unchanged in 1935 the higher volume may bring 1935 net above $1 million.

Running at capacity the company could manufacture 2,555 tons, or 800,000 tons annually, of which 60,000 tons represent sulphite production. It has nine newsprint mills, but less than one-third are operating. The two lowest cost plants are at Iroquois Falls and at Pine Falls, Manitoba. There are four other efficient plants at Fort William, Sault Ste. Marie, St. Anne, and Thunder Bay. The two less efficient ones, Espanola and Sturgeon Falls, are not likely to be reopened.

The company's developed water power aggregate is 207,410 h.p. and it has undeveloped water power estimated at between 350,000 and 400,000 h.p.

The company produced 239,408 tons of newsprint and 38,721 tons of sulphite in 1934, as compared with 528,181 tons of newsprint in 1929. In 1929 on that basis it made $8.4 millions net profit before depreciation, depletion and bond interest at a price of newsprint of $60 a ton. The price in 1934 was $34 net after paying freight to destination.

The power companies, Abitibi Electric Development Co., and Kaministiquia Power Co., paid their way so far as operations were concerned in 1934 and provided some funds for the receiver. There was loss on Thunder Bay Paper Co.

Capitalization—	Authorized	Outstanding
Common ...... N.p.v.	1,500,000 sh.	†1,088,117 sh.
Pref. 7% cum. ...	$1,000,000	$1,000,000
Pref. 6% cum. ... Par $100.	50,000,000	*34,881,800

*Including 792 shares deposited for exchange of shares of the Spanish River Pulp & Paper Mills.

†Including 1,891 shares deposited for exchange of shares of subsidiary companies.

Funded Debt—
1st mtge. gold bonds, series A, 5 per cent, due 1953; outstanding $48,267,000.
Interest payment deferred June 1, 1932; default in effect Aug. 1, 1932.

Dividend Record—
7 per cent preferred—Initial dividend paid Jan., 1917; paid regularly to and including Oct., 1931; none since.
6 per cent preferred—Initial dividend paid Apr., 1928; paid regularly to and including Apr., 1931; none since.
Common—None paid since Oct., 1928.

Head Office—Iroquois Falls, Ont.

Officers and Directors—
Officers—G. H. Mead, chm.; Alexander Smith, pres.; W. A. Black, vice-pres.; L. R. Wilson, vice-pres. and man. dir.; W. H. Smith, asst. man. dir.; J. E. Patterson, mgr. of operations; T. Broadhurst, sec.; Howard Young, treas.; L. B. Popham, asst. sec.; D. J. Cormack, asst. treas.
Directors—Alexander Smith, Chicago, Ill.; Sir Thomas Tait, A. J. Brown, W. A. Black, Montreal; G. H. Mead, Dayton, Ohio; G. E. Challes, T. H. Watson, L. R. Wilson, W. H. Smith, S. F. Duncan, Toronto; W. H. Carter, Winnipeg.
Bondholders' Committee—J. P. Ripley, vice-pres., New York; Stanton Griffis, Montreal; Milton C. Cross, New York; W. H. Somerville, Waterloo, Ont.; E. E. Reid, London, Ont.; A. Fleming and W. A. Arbuckle, Montreal.

Results from Operations

	12 Mos. ended Dec. 31 1934	Sept. 10, 1932, to Dec. 31 1933
	$	$
Income:		
Sale of news & pulp	9,371,840	10,189,193
Sale of power	329,940	657,984
Less: Oper. costs	7,745,331	9,205,048
Disc. on U. S. funds	96,973	......
Add: U. S. exch.	......	649,588
Int. & disc. earned..	124,903	73,145
Sundry oper. profits	12,179	474
	1,996,558	2,364,388
Less: Int. on rec's. certs. & overdraft	152,113	84,389
Cost of issue reports	4,196	3,211
Beatty Comm. exps.	......	30,249
Int. on contracts for purch. of Thunder Bay shares	163,675	215,574
Miscel. costs:		
Idle mill costs	337,686	589,401
Taxes, mill & townsites	84,804	106,483
Timber concessions	79,856	125,776
Int. charges, etc. ..	45,298	61,128
Legal, audit & acc. exps.	42,000	48,110
Rec's. remun. exps.	48,000	63,325
Prov. for bad debts..	10,000	......
Amt. w/o pulpwood	75,000	......
Bal. avail. for deprec. & bond int.	953,928	1,036,562

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	..	..	2½	¾	4	⅛
Pref. 6% ..	..	..	10½	3	10	1
Cert's. . ..	..	..	7¾	2	..	..

*To September 19.

Anglo-Canadian

Plant Operations Maintained at Capacity — Earnings Reflect Low Prices

Anglo-Canadian Pulp and Paper Co. is one of about four Canadian newsprint manufacturers which have been able to operate their plant at capacity in the last few years. No particulars are available as to the company's earnings, but it is presumed that in view of the low price for newsprint, returns have not been especially satisfactory.

Operations of the company are carried on just outside of Quebec City, where the company has a newsprint mill with a daily capacity of 500 tons. The output is sold to the Hearst newspapers in the United States and to the Rothermere Papers in England.

There is no Canadian investment interest in this enterprise.

Capitalization—	Authorized	Outstanding
Common ...... N.p.v.	135,000 shs.	135,000 shs.
1st Preferred ... Par $100.	$8,000,000	$8,000,000

Funded Debt—
5% debentures, outstanding £3,230,000. Issued for £3,180,000 cash to Daily Mirror Newspapers Ltd., of London, England, from the proceeds of which the £2,967,050 6½% debentures, due July 1, 1933, were redeemed at £107 for each £100 of debentures.

Dividend Record—
1st Preferred—Entitled to 7 per cent cumulative, payable April and Oct. 1. Initial dividend for six months paid Oct. 1, 1930; none since.
Common—None paid.

Head Office—Quebec, P.Q.

Officers and Directors—
Officers—Viscount Rothermere, pres.; F. W. Clarke, vice-pres.; G. H. Bridges, sec.-treas.
Directors—Viscount Rothermere, London, Eng.; F. W. Clarke, R. A. McInnis, Quebec, P.Q.; Sir Herbert S. Holt, Montreal; Sir Charles Fitzpatrick, Quebec, P.Q.; Hon. Smeaton White, Montreal; John Cowley, London, Eng.; F. J. Humphrey, New York; R. C. McMichael, Montreal; E. A. Sursham, Hon. Esmond Harmsworth, London, Eng.; W. J. Clarke, Quebec, P.Q.; F. G. Bush, W. P. Creagh, Montreal.

BATHURST POWER and PAPER COMPANY LIMITED

BATHURST, New Brunswick

Manufacturers of

Newsprint Paper
Kraft Fourdrinier
Board
Sulphite Pulp

Direct Rail or Ocean Transportation

CABLE ADDRESS "WONGAN" Codes A.B.C. 5th "Western Union" Five Letter

Bathurst

Income in First Half of 1935 Records Substantial Gain Over 1934

Bathurst Power and Paper Co. reports an estimated net operating profit of $110,638 for the first six months of 1935. This figure was arrived at before providing for depreciation and subject to audit and year-end adjustments. The extent of the improvement in the company's operating results is apparent from a comparison with the returns for 1934. In that year the company had a net profit before depreciation, of $93,030, and after provision for depreciation at $100,000, there was a net loss of just under $7,000.

Control Power System

In addition to its pulp and paper plant and timber limits, Bathurst also owns and operates a hydro-electric plant in Great Falls on the Nipisquit River, N.B., with an installed capacity of 15,000 h.p. Power from this development is used at the plant and also is sold to other customers. This unit has not been particularly profitable of late, but in more normal times is a money-maker.

Bathurst is outstanding among the pulp and paper operators, in that it has an exceptionally strong working capital position, current assets exceeding current liabilities at the end of 1934 by $2.1 millions. There are no bank loans on the books, while the liquid position of the company assures adequate working capital until such time as there is a more general improvement in the industry.

Capitalization—	Authorized	Outstanding
Class A Com. ..	750,000 shs.	400,000 shs.
Class B Com. .. No par value.	500,000 shs.	300,000 shs.

Funded Debt—
None.

Dividend Record—
Class A Common—Entitled to $2 per annum. Initial dividend of 25c. per share paid March, 1929; none since.
Class B—None paid.

Head Office—Bathurst, N.B.

Officers and Directors—
Officers—Brig.-Gen. J. B. White, pres.; George M. McKee, vice-pres.; H. J. Webb, treas.; George A. Schryer, asst. treas.; S. B. Bond, sec.; Smith Morse, acting mgr. and compt.
Directors—Brig.-Gen. J. B. White, P.A. Thomson, H. J. Webb, J. B. Woodyatt, R. W. Steele, George M. McKee, F. J. Campbell, all of Montreal, Que.

Seven Years Earnings—

Year	Earnings	Dividends	Surplus
1928	411,782	......	121,747
1929	281,550	100,000	103,297
1930	132,954	......	181,001
1931	*86,461	......	*40,861
1932	*158,225	......	*202,474
1933	*49,930	......	*245,933
1934	36,627	......	*72,044

*Loss or deficit.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Class A.	83¾	4½	8½	3	8	1
Class B.	23¾	1	3½	¾	2	1

*To September 18.

PAPER OUTPUT NEARS RECORD BOOM YEARS

(Continued from page 13)

print and increasing costs have made the manufacture of newsprint unattractive to the American producers who are not as well situated as those in Canada.

An examination of the returns in the past eight years, taking those for 1929 as 100, shows that American mill production has steadily declined. This is not a recent trend for as far back as 15 years ago the American industry began to feel the effects of competition from the rapidly expanding Canadian industry. Even on the basis of the 1929 returns, which are appreciably lower than those reported in earlier years, the American industry was only able to report an output in 1934 equal to 69 per cent of that shown for 1929.

Canada's production of newsprint dropped to 70 per cent of the 1929 total in 1932, recovered slightly in 1933, and jumped to 95 per cent in 1934. Judged by the returns for the first seven months, production for the full year will likely equal that for 1929.

Newfoundland Up

Newfoundland's record of production in recent years has been even better than that of Canada and far beyond that reported by the American mills. Output last year was the largest ever reported—24 per cent above the industry's record year of 1929. There was a decline in 1932 and 1933, but at no time has production dropped back to the 1929 level, as shown in the following tabulation covering the returns for North America.

North American Output in Relation to Record Year—1929
(Figures shown represent percentage relationship of output for year to 1929)

	Canada	U.S.	Nfld.	Total
1934	95	69	124	89
1933	74	68	106	74
1932	70	72	106	73
1931	81	83	115	84
1930	92	92	112	93
1929	100	100	100	100
1928	87	102	90	92
1927	76	107	79	86

Plenty of Idle Machinery

While production of newsprint paper in Canada has been on a much more satisfactory basis in the last 20 months the industry is far from being at a capacity basis. Newsprint machine installations in Canada tripled in the years from 1923 to 1932, since which time it has been standing still. Despite the very rapid increase the operating ratio was maintained at a point near capacity until 1929. From then on there was a sharp reduction and in 1932, less than half of the productive capacity was employed. There was a small gain in 1933 and a relatively substantial advance in 1934.

Supply Another Million

At present, newsprint operations in Canada are over 70 per cent of capacity—the best showing since 1929. Despite the near-record production figures the mills in this country are capable of turning out more than a million tons more newsprint annually than is being produced. This lag is a serious drawback to the welfare of the industry, but the trend of production of late is encouraging after what the industry has gone through in the past five years.

The trend of operations in Canadian mills in the past 12 years follows:

Operating Ratio Canadian Mills
(Percentage of rated capacity)

	Tons Daily	%
1923	4,600	100.0
1924	4,871	91.0
1925	5,317	94.6
1926	6,818	97.0
1927	8,500	84.9
1928	9,897	82.4
1929	10,748	85.5
1930	11,940	69.3
1931	12,376	58.1
1932	12,425	49.8
1933	12,458	52.4
1934	12,458	67.0

DOMINION RECOVERS MOST OF LOST GROUND IN WORLD PAPER TRADE

(Continued from page 13)

tion is probably not as bad as the figures would indicate. A large part of this excess capacity, particularly in Germany, and to a lesser degree in other European countries, United States and Canada, is not capable of producing newsprint at present price levels or even with a moderate price advance, although there is some additional capacity, particularly in the United States, which is not included in the figures and which might be available for production with any material increase in price.

Excess of 2.4 Million Tons

Examining these figures in detail we see that, based on 1934 demand, there is at present a theoretical excess of 2,400,000 tons per annum. If we deduct the following three blocks of excess tonnage: Canada 1,300,000, Germany 334,000, U. S. A. 237,000, totalling 1,871,000, we are left with a world capacity of 7,873,000 against a world production last year of 7,342,000 and a possible consumption for 1935 of 7,600,000 to 7,700,000.

In other words, allowing for the necessary small margin of surplus capacity for contingencies, it may be said that the entire newsprint capacity of the world is filled, except for Canada, United States and Germany. Considerable doubt exists as to the efficiency of the German capacity at present prices and in any event a large part of this capacity is used for both newsprint and other grades of paper. The United States excess capacity is almost certainly higher cost than the idle capacity in Canada as a whole and, moreover, is not likely to be available for overseas markets. Any substantial increase in world demand, therefore, is likely to be felt immediately in Canada.

Canada Stands to Benefit

Canada has 40 per cent of the world's newsprint capacity, produces nearly three times as much as any other country, accounts for over two-thirds of the total world exports and now has more than 50 per cent of all idle capacity. It is only natural that, as the largest producer and particularly as the largest exporter, Canada should have been the chief sufferer, first from reduced demand 1931-1933, and now from a drastically lower price. Canada should, however, as we have seen in the preceding sections, receive the chief benefit of increasing world demand unless a sharp upward price swing brings obsolete sources into production again or promotes new construction and development such as occurred in Canada from 1926-1930.

The accompanying table shows Canadian shipments to overseas markets during the last eight years and compares their total to total Canadian production. For the purposes of this survey, International Power and Paper Co. of Newfoundland shipments have been added to the Canadian total as the Corner Brook mill can be considered an integral part of the Canadian industry

CANADIAN OVERSEAS SHIPMENTS, 1927-1934
Newsprint Service Bureau Reports
(in 000 short tons)

Destination:	1927	1928	1929	1930	1931	1932	1933	1934
United Kingdom	42	131	174	135	130	102	140	135
Australia	46	49	63	45	30	39	58	100
New Zealand	16	17	23	22	15	12	17	26
Argentina	13	48	42	82	44	48	44	92
Other Latin America	9	14	18	19	20	15	18	33
Japan	..	..	..	..	13	27	32	58
China	..	..	..	..	4	13	24	34
Africa	7	12	14	16	15	10	7	11
Other (mostly Asia)	1	1	4	6	4	5	8	15
Total—Canada & I. P. N. ..	134	262	345	325	275	271	348	505
Total as percentage of total prod. of Canadian mills plus I. P. N.	6.4%	11.0%	12.0%	12.2%	11.3%	13.2%	16.2%	18.3%

Overseas Market Grows

The overseas percentage has thus risen from 6.4 per cent in 1927 to 12.0 per cent in 1929 and 18.3 per cent in 1934—or almost one-fifth of the total Canadian production. In the year of lowest demand 1932, the Canadian industry, including Corner Brook, produced 2,060,000 tons of paper. In 1934, the figures was 2,762,000 tons. Of this increase of 702,000 tons, 234,000 tons or 33 per cent was accounted for by increased overseas shipments.

Fluctuations between individual markets are of interest. Canada has steadily consolidated her position in Australasia, Latin America, and particularly in the Orient. There has not been any notable expansion in Canadian shipments to England in spite of increased consumption in that market, partly because of increased English production, partly because of a 50,000 ton increase in Anglo-Newfoundland's capacity between 1921 and 1934, and partly because of the growth of Finnish shipments to England.

Secure Increasing Share

The following figures show Canadian shipments expressed as percentage of the total consumption in individual markets and also show percentage fluctuations of total Canadian shipments to total world consumption and exports.

Canadian Shipments Expressed as Percentage of the Total Consumption in Individual Markets

	1929	1932	1934
United States	57.7	54.8	62.2
United Kingdom	18.7	9.6	10.5
Australia & N. Z.	43.9	37.8	69.5
Argentina	47.7	35.0	57.1
Other Latin America ..	13.4	19.0	33.0
Japan	0.0	9.8	15.3
China	0.0	17.8	49.5
Africa	35.0	37.0	36.7
Note:—These percentages include I. P. P. of Newfoundland.			
Share world consump.	36.4	30.5	34.8
Share overseas consumption	10.4	8.1	12.6
Share total world exports	68.7	63.5	70.8
Note:—These percentages include I. P. P. of Newfoundland.			

The figures show that the Canadian industry suffered more than the rest of the world in the depression but that by 1934 it has pretty well regained its percentage position in the world newsprint markets.

B. C. Pulp

Earning Power Continues Only Fair — Jap Trade War May Prove Harmful

British Columbia Pulp and Paper Co. reported net earnings of $702,933 for the 1934 calendar year. This was in contrast to $404,072 in the previous twelve months. While no official statement has been issued on revenue for the current year, two months ago the president stated that the prices had been reduced this year on two types of the company's products but that B. C. Pulp is maintaining its share of business in the Orient although prices are subject to varied competitive conditions.

Since that time the trade dispute between Canada and Japan has come to a head. Japan has imposed a prohibitive tariff on the Canadian imports, while the Canadian Government has done likewise in regard to imports from Japan.

Arrears of Interest

By the end of last year B. C. Pulp has paid up to date all the interest owing on the company's first mortgage bonds. On the other hand unpaid interest on the general mortgage bonds at the end of 1934 totalled $333,634. It will be recalled that in May, 1934, bondholders agreed to deferment of interest due May 1, 1932, to November 1, 1934, inclusive, until May 1, 1936, but made no provision for deferment of the payment due May 1, 1935. The latter coupon was paid on the due date, but as the president pointed out, general resumption of payments on the general mortgage bonds did not indicate further improvement in earnings.

Capitalization—	Authorized	Outstanding
Common ...... No par value.	150,000 shs.	100,000 shs.
Preferred 7% ... Par $100.	$1,000,000	$556,200

Funded Debt—
1st mtge. S. F. gold bonds, 6 per cent, due 1950*, outstanding $3,321,000.
General mtge. 7 per cent, due 1950†, outstanding $1,445,400.

*Sinking fund payments due 1933 and 1934 cancelled.

†Interest payments falling due between May 1, 1932 and Nov. 1, 1934 (both dates inclusive), postponed to May 1, 1936, and sinking fund payments from 1932 to Nov. 1, 1938, inclusive, cancelled. Interest in arrears $333,634 as at Dec. 31, 1934. Interest May 1, 1935, paid when due.

Dividend Record—
Preferred—Entitled to 7 per cent per annum, cumulative from Nov., 1925, payable quarterly, Feb., May, Aug. and Nov. 1; $8.75 paid Feb., 1927, representing all accumulated dividends. Regular quarterly payments made thereafter to and including Aug. 1, 1931. None since.
Common—None paid.

Head Office—Vancouver.

Officers and Directors—
Officers—Lawrence Killam, pres. and man. dir.; O. A. Jorgenson, treas.; Miss E. M. Dominy, sec.
Directors — Lawrence Killam, George Kidd, R. C. Buchanan, W. H. Malkin, O. A. Jorgenson, Cecil Killam, Vancouver, B.C.; I. W. Killam, Montreal.

Times Interest Earned—

	1934	1933	1932
Before deprec.	2.21	1.28	nil
After deprec.	0.98	0.17	nil

Seven Years Earnings—

Year	Earnings	Dividends	Surplus
	$	$	$
1928	723,335	38,934	54,401
1929	599,776	38,934	56,158
1930	671,903	38,934	58,440
1931	363,446	29,200	*142,348
1932	*76,206	......	*522,202
1933	404,072	......	*782,918
1934	702,933	......	*804,538

*Loss or deficit.

Brompton

Operating Loss in 1933 Turned Into Profit During Past Year

Brompton Pulp and Paper Co., subsidiary of St. Lawrence Corp., realized its expectations in 1934 by turning an operating loss of 1933 into an operating profit. The improvement represented an increase in earnings of about $500,000.

Brompton operates plants in Bromptonville and East Angus, P.Q., with an aggregate daily capacity of 225 tons of newsprint, 75 tons of boxwood and 25 tons of kraft, manila and fibre papers. The company also controls a subsidiary organization operating in New Hampshire with plant capacity of 70 tons of kraft and 85 tons of fine bond and other papers daily. In addition it also controls the McCrea Wilson Co., a lumber operator.

Show Surplus After Charges

The volume of newsprint business handled by Brompton last year amounted to about 40,000 tons compared with a rated capacity of nearly 74,000 tons. While this showing is not very impressive, it is better than in the preceding year. In addition revenues from other activities enable the company to show an operating profit of over $200,000, as against an operating loss of $262,000 in 1933. Accordingly the company showed a surplus after depreciation and interest charges of $14,290, as against a deficit of $314,369 in the previous year.

Any material change in the position of Brompton will be largely due to whatever success the manufacturers have in securing a better price for newsprint in 1936.

Capitalization—	Authorized	Outstanding
Common ...... N.p.v.	500,000 shs.	*300,000 shs.

*Upon completion of exchange all these shares will be owned by the parent company. As at Dec. 31, 1934, 297,174 shares were owned.

Funded Debt—
Obligations of McCrea-Wilson Lumber Co., Guaranteed:
6% first mtge. bonds, due 1939 $325,000
6% gen. mtge. S. F., due 1937 .. 70,500

Dividend Record—
Common—None at present. Was $2 per annum, payable Jan., April, July and Oct. 15. Reduced to $1 per annum with quarterly payment April 15, 1931; payment due July 15, 1931, passed; none since.

Head Office—Montreal.

Officers and Directors—
Officers—A. F. White, pres.; R. W. Steele, vice-pres.; A. M. Creighton, compt. and sec.-treas.; A. C. Davy, asst. sec.-treas.
Directors—N. A. Timmins, J. I. Rankin, R. O. Sweezey, R. W. Steele, A. M. Creighton, F. C. Baker, Lennoxville; A. F. White, Toronto.

Four Years Earnings—

Year	Earnings	Dividends	Surplus
	$	$	$
1931	174,322	75,000	1,328,900
1932	*670,931	......	*459,776
1933	*262,350	......	*803,491
1934	†199,299	......	*787,943

*Loss or deficit.
†After deduction of $6,900 for directors' fees.

Interlake Tissue

Products of Interlake Tissue Mills are in fairly constant demand from year to year. Operations in 1935 to date are reported to have continued on a satisfactory basis.

The company's mill at Merritton, Ont., produces light-weight paper, napkins and towels, decorative crêpes and other high grade specialty products.

Financing of Interlake Tissue Mills is carried out privately so that there is no direct public investment interest in the enterprise.

Capitalization—	Authorized	Outstanding
Common .... Par $100.	$1,000,000	$625,000

Officers and Directors—
G. Carruthers, pres. and gen. mgr.; S. F. Duncan, vice-pres. and treas.; W. J. Parks, sec.; A. Fasken, S. B. Munroe, A. B. Connable, T. A. Weldon, A. E. Curtonius, Kalamazoo, Mich.

NEWSPRINT OPERATORS LOOK FOR HIGHER PRICE NEXT STEP IN RECOVERY

(Continued from page 13)

plans of the other operators. An attempt was made to carry out a price increase, but the form of contract and the inability to maintain a one price standard forced all the companies to return to the 1934 price level on 1935 deliveries.

The favorable conditions experienced by the industry during 1934 have continued to date. Capitalizing on their experience last year the manufacturers have already made a careful survey of the possibilities of a price increase for next year. Prospects are more promising than they have been at any time in the past decade.

Meanwhile the American publishers have been closely watching developments. An increase of only $2 or $3 a ton makes a very marked difference in the costs of a metropolitan publisher. Consequently he is deeply interested in any change in the price structure.

Try to Break Ranks

An attempt has already been made to break the ranks of the manufacturers. Representatives of the Hearst newsprint buying organization—largest purchasers of newsprint paper in the United States and probably the world—offered a large contract to Price Bros. & Co.—a short operator—for delivery in 1936 at the prevailing price level.

This offer was extremely tempting, but the manufacturers, better organized than a year ago, made a counter offer which was accepted by Price Bros. & Co. The Hearst offer was then made to a second company but turned down.

Operators Hold Together

The solidarity shown by the Canadian manufacturers is by far the most encouraging development in the industry for many years. The prospect of eliminating the cut-throat competition of the past few years leads to the hope that at last the industry can take collective action in adopting and enforcing a policy for the common good.

Survey Price Increase

The matter of a price increase does not come up for consideration between the manufacturers and the publishers until some time in October or November. Meantime a survey of the situation does not warrant the assumption that a price increase is a foregone conclusion, nor should it be assumed that the attempt is foredoomed to failure. A survey of the possibilities of a price increase, however, indicates that the odds are in favor of the manufacturer.

In support of their case the manufacturers can put forth the fact that the price of newsprint in the last three years has not allowed profitable operations. They can point to the higher labor costs brought about directly and indirectly by the National Recovery Act in United States. Woods costs have also advanced and it can be said, with little chance of contradiction, that costs of newsprint manufacturing have advanced from $2 to $2.50 a ton in the last year and a half.

Would Prefer Co-operation

The manufacturers as a group want the co-operation of the publishers in fixing a satisfactory price. They do not want a run away market. Nor do the publishers. The producers realize that a too rapid advance in the price of newsprint would be the means of bringing additional tonnage on to the market and recreating a buyers' market.

There is a tendency among the greater number of publishers to recognize the reasonableness of the producers' demands. The principal opposition comes from the large chain-publishers, to whom an advance in their cost of newsprint is a very serious matter.

Some publishers have taken the stand that their financial position has not yet improved to the point where they can stand paying a higher price for their newsprint paper. This contention may be substantiated by some of the publishers, but taken as a group it is believed that the improvement in their revenues in the last two or three years would permit payment of a higher price for their paper supply.

Factors to Consider

The success of the manufacturer's move to get a better price for his product will depend to some degree upon the extent of his demands. In arriving at a revised price they are confronted with the following considerations:

(a) A price that will permit them to operate at a profit;

(b) A price that can be met by the publishers;

(c) A price that will not encourage additional tonnage coming on the market over and above actual demands; and

(d) A price basis which will permit of adjustment as conditions warrant.

Likely Price Basis

As far as is known the manufacturers have not decided on a price policy for 1936. It is believed that their proposed action will be along the lines of the abortive attempt made by International Paper Co. in the fall of 1934.

At that time—after St. Lawrence Paper Mills upset price increase plans — International Paper announced an increase of $2.50 a ton for the first half of the coming year with an assurance to clients that a further advance in the last six months would not exceed a further $2.50 a ton—making a possible maximum price of $45 a ton New York or Chicago delivery.

In some circles a much higher price is mentioned. It is unlikely that the manufacturers will attempt to secure any more than a maximum of $5 a ton increase on 1936 deliveries. Moreover it is likely that they will "stagger" the increase in order to give the publishers sufficient time to adjust their costs.

Secure Publishers' Co-operation

Such an arrangement, it is believed, would appeal to the majority of publishers in the United States. They have been anticipating a change for the last two years and are in a mood to "play ball" with the manufacturers. Opposition is to be expected from some of the large buyers, but if the producers display a willingness to co-operate with the publishers in adjusting the price it is felt that an upward revision in the price schedule can be secured.

Prove Great Help

An increase of $2.50 to $5 a ton in the price of newsprint paper for 1936 would go a long way to placing the newsprint industry in Canada and the United States on its feet.

Holders of newsprint securities naturally are interested in the current movement. For five long years they have held on in the hope that this country's largest manufacturing industry would stage a comeback. Disappointments have been many and trying. A price increase for next year would do much to restore confidence. It would mean little or nothing in the way of additional return to bond and stock holders, but added to the improved operating conditions, a higher price for newsprint would mark the commencement of the industry's return to the position which its importance warrants.

ESTABLISHED 1890

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MILLE ROCHES, ONTARIO THOROLD, ONTARIO
GEORGETOWN, ONTARIO PORT ARTHUR, ONTARIO
Pulp Mill: PORT ARTHUR, ONTARIO

Howard Smith Paper

Improvement in Position Over Past 18 Months Leads to Hope of an Early Resumption of Preferred Dividends

Howard Smith Paper Mills, the largest fine paper manufacturer in the country, has recorded progress from the low point of earning power reached in 1932. During the depression years sales fell off, earnings declined and in order to conserve working capital it was necessary to defer dividends on the preferred stock. Last year there was an improvement and $7.32 a share was earned on the senior stock.

Current reports are that the improvement recorded last year has been maintained and unless there is an unexpected set-back between now and the end of the year, net income available on the capital stock should be equal if not greater than that reported in 1934.

Co-ordinate Working Units

Over the last three or four years the management of Howard Smith has devoted its attention to co-ordinating the different units going to make up the consolidated organization, and, at the same time, strengthening finances. Sound progress has been made along these lines as is seen by an examination of the consolidated balance sheet, which shows the practical elimination of bank loans and an improvement in net working capital position.

While it might be said that this programme has not been completed, the company has placed its manufacturing facilities and finances in a position to take full advantage of the upswing in business conditions. The demand for its products follows closely the trend in business, as is apparent by the improvement in sales and earnings since the early part of last year.

Look For Dividend

The betterment in the company's operations and revenue has given rise to the opinion that steps will shortly be taken by the management to place the preferred stock on a paying basis. The financial statement for last year showed that net income was sufficient to cover a $7 dividend—the regular rate which was discontinued in 1931—but to date the directors have preferred to maintain the company's liquid position. Interests close to the company, however, believe that the preferred stock will be back on a paying basis, but not until after the turn of the year. Payments may be made by the end of the first quarter of 1936, but an affirmative decision will depend upon the outcome for 1935.

Stock Values Higher

Consequent upon the improvement in the company's position, there has been a marked revival of interest in the securities of Howard Smith. The preferred stock has been particularly active.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	300,000 shs.	220,000 shs.
Pref. cum. red. .. Par $100.	$7,500,000	$4,500,000

Funded Debt—
1st mtge. S. F. gold bonds or debentures, 5½ per cent, due 1953, outstanding, series A, $6,712,000.

Dividend Record—
Preferred—None at present. Entitled to 6 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Cumulative from June 1, 1928. Initial payment made on Sept. 1, 1928, and regularly up to and including March 1, 1931. Dividends deferred since.
Common—None paid.

Head Office—Cornwall, Ont.

Officers and Directors—
Officers—Harold Crabtree, pres.; E. H. Smith, vice-pres.; George Pauline, vice-pres.; E. K. Robinson, vice-pres.; K. G. Pendock, sec. and treas.; M. G. Peterkin, asst. sec. and asst. treas.
Directors — Harold Crabtree, E. H. Smith, Sir Herbert S. Holt, E. R. Decary, J. W. Pyke, Howard Murray, George Chahoon, Jr., G. M. McKee, W. D. Robb, W. H. Howard, E. K. Robinson, J. D. Johnson, Montreal; Hon. C. A. Dunning, Ottawa; J. H. Gundy, C. L. Burton, Toronto.

Times Interest* Earned:

	1934	1933	1932
Before depr. & depl.	†3.54	2.90	1.96
After depr. & depl.	†1.83	1.58	1.30

*And U. S. exchange on bond interest in 1933 and 1932. †After mortgage interest.

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned†	$7.32	$4.04	$2.83
Paid	nil	nil	nil
Common: Earn.▲ ..	0.36	nil	nil
None paid.			

†After deduction of subsidiary preferred and common dividends.
▲After allowing for full year's preferred dividend requirements and after subsidiary dividends.

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	1,231,760	382,564	1,294,233
1931	1,101,716	55,104	1,044,728
1932	1,231,598	5,604	1,237,881
1933	1,674,735	5,604	1,410,642
1934	1,835,896	4,854	†1,709,562

†After providing for income tax.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com. ..	13	9	11	4	9¾	1⅛
Pref. ..	95½	84	88	33	40¼	8

*To September 18.

Canada Paper
(Controlled by Howard Smith Paper Mills)

Capitalization—

	Authorized	Outstanding
Common* .... Par $5.	$100,000	$100,000
Preferred cum. .. Par $100.	3,000,000	1,250,000

*Entire issue owned by Howard Smith Paper Mills.

Funded Debt—
First mortgage S. F. bonds series A, 6 per cent, due 1945, outstanding $1,358,500.

Dividend Record—
Preferred—Entitled to 7 per cent per annum, cumulative, payable Mar., June, Sept. and Dec. 1. Paid regularly to and including Dec. 1, 1930; none since.
Common—None paid.

Head Office—Montreal.
Officers—Harold Crabtree, pres.; E. K. Robinson, vice-pres.; E. H. Smith, vice-pres.; K. G. Pendock, sec.-treas.; M. G. Peterkin, asst. sec.-treas.
Directors — Harold Crabtree, E. K. Robinson, E. H. Smith, G. H. Tomlinson, F. J. Campbell, Montreal; Hon. C. A. Dunning, Ottawa; F. A. Sabbaton, Grand-'Mère, P.Q.; H. B. Donovan, J. H. Gundy, Toronto.

Times Interest* Earned—

	1934	1933	1932
Before depr. & depl.	3.31	2.21	1.88
After depr. & depl.	1.31	1.04	1.03

*And U. S. exchange on bond interest.

Earnings per Share—

	1934	1933	1932
Pref.: Earned	$1,53	nil	nil
None paid.			

Market Record—

	*1935 H	*1935 L	1934 H	1934 L
Preferred	..	..	55	50

*To Sept. 18.

North American Newsprint Situation

PRODUCTION

	1934 Tons	1933 Tons	Increase Tons	Increase %	Jan.-Aug. 1935 Tons	Jan.-Aug. 1934 Tons
Canada	2,599,292	2,017,004	582,288	29.0	1,519,160	1,471,522
United States	957,196	946,374	10,822	1.1	534,595	566,982
United States & Canada ..	3,556,488	2,963,378	593,110	20.0		
Newfoundland	316,119	270,834	45,285	16.7	193,850	191,621
Mexico	20,280	16,367	3,913	24.0	11,769	11,133
Total North America	3,892,887	3,250,579	642,308	19.75	2,259,374	2,231,256

UNITED STATES IMPORTS

	1934 Tons	1933 Tons	Tons	%	Jan.-July 1935 Tons	Jan.-July 1934 Tons
From Canada	1,956,037	1,545,292	410,745	27.0	967,603	951,926
From Overseas	147,060	153,203	*6,143	*4.0	90,809	69,520
From Newfoundland	106,599	94,946	11,653	12.3	41,710	41,256

CONSUMPTION
(of 434 leading newspapers as reported to A.N.P.A.)

1934 Tons	1933 Tons	Increase Tons	Increase %	Jan.-July 1935 Tons	Jan.-July 1934 Tons
2,465,824	2,146,279	342,543	15.4	1,506,875	1,419,118

EXPORTS

	1934 Tons	1933 Tons	Increase Tons	Increase %	Jan.-July 1935 Tons	Jan.-July 1934 Tons
United States	23,420	11,173	12,247	109.6	13,976	11,940
Canada to Overseas	440,679	318,426	122,253	38.5	204,896	191,934

ADVERTISING
(52 Major Cities)

1934 Agate Lines	1933 Agate Lines			Jan.-July 1935 Agate Lines	Jan.-July 1934 Agate Lines
1,178,880,397	1,065,514,601	113,365,796	10.6	701,782,458	673,332,698

*Decrease.

Alliance Paper Mills
(Controlled by Howard Smith Paper Mills)

Capitalization—

	Authorized	Outstanding
Common .... No par value.	200,000 shs.	100,000 shs.
Preferred ...... Par $100.	$3,000,000	$1,003,500

85 per cent of the common stock is held by the Howard Smth Paper Mills.

Funded Debt—
The company has no funded debt of its own, but its subsidiaries have the following outstanding bonds:
Georgetown Coatel Paper Mills, 1st mtge. S. F. bonds, 6½ per cent, due 1947, outstanding $164,500.
Ritchie & Ramsay, 1st mtge. S. F. bonds, 7 per cent, due 1944, outstanding $151,900.
Lincoln Pulp & Paper, 1st mtge. S. F. bonds, 7½ per cent, due 1942, outstanding $663,900.

Head Office—Merritton, Ont.

Officers and Directors—
Officers—Harold Crabtree, pres.; Geo. W. Pauline, vice-pres. and man. dir.; L. E. Fleck, vice-pres. and asst. man. dir.; J. R. Leslie, sec.-treas.
Directors — Harold Crabtree, E. H. Smith, Montreal; Geo. W. Pauline, G. C. Winlow, A. D. Cobban, H. F. E. Kent, J. H. Gundy, Toronto; L. E. Fleck, Georgetown; J. R. Leslie, St. Catharines.

Canadian Cellulose
(Wholly owned by Howard Smith Paper Mills)

Capitalization—

	Authorized	Subscribed
Preferred .... Par $100.	$1,000,000	$300,000
Common .... No par value.	10,000 shs.	5,000 shs.

Head Office—Cornwall, Ont.

Officers and Directors—
Officers — H. Crabtree, pres.; E. H. Smith, E. K. Robinson, vice-pres.; K. G. Pendock, sec.-treas.; M. G. Peterkin, asst. sec. and asst. treas.
Directors—H. Crabtree, E. H. Smith, J. W. Pyke, G. H. Tomlinson, E. K. Robinson, Hon. C. A. Dunning, Montreal; J. H. Gundy, Toronto.

Quebec Produces Most Paper

Quebec was the most important paper producing province in Canada in 1934, with about one half of the total tonnage value for the Dominion as a whole.

U. S. is Greatest Market

United States has been and is the world's greatest paper market, its 126,000,000 people consuming about as much paper as all the rest of the world combined.

E. B. Eddy Co.

Sales of Newsprint and Fine Paper Higher in Past Year

Plant operations of the E. B. Eddy Co., operating a newsprint and fine paper plant at Hull, P.Q., were at or near capacity during the past year. During 1934 the newsprint mill operated at about 94 per cent of rated capacity, while the fine paper division experienced a better demand for its products.

Though a minority interest of 49 per cent of the Eddy Co. is held by Canadian Hydro-Electric Corp., majority control is held by private interests. No financial statement or income account has ever been made public. Consequently there is no public knowledge of the earning power of the company. It is generally understood, however, that earnings have been such as to provide for regular distribution on the company's capital stock.

In the last few years the Eddy company has made large capital outlays on plant improvement. The programme involved the installation of a new water filtration plant at a cost of several hundred thousand dollars. Other work carried out included the renovation of the sulphite pulp unit, enlargement of boiler capacity, rearrangement of storage and handling facilities, additional pulp preparation equipment and a new head office building.

Capitalization— Outstanding
Capital stock, par $100 ...... $300,000
49 per cent owned by Canadian Hydro-Electric Corp.

Dividend Record—
Dividends have been continuously paid for many years, payments not made public.

Officers—
V. M. Drury, pres.; C. V. Caesar, man. dir.

Lake St. John

Committee Expects to Pay Half of Interest on Bonds Outstanding

Lake St. John Power and Paper Co.'s newsprint mill at Dolbeau, P.Q., operated at nearly 85 per cent of capacity in 1934, resulting in a net profit, after depreciation, of $195,453. This is nearly double that reported in the previous twelve months, but was insufficient to take care of the funded debt interest charges now in arrears.

In 1932 the bond and debenture holders of Lake St. John Power and Paper formed a protectve committee and by July of the following year they were successful in securing the transfer of control of the property to the committee. A change in the directorate was made and since that time the company's relations with the Department of Lands and Forests of Quebec and with the company's bankers have been reinstated. The management has been strengthened and certain material economies have been effected.

Payment of Bond Interest

At the time the committee issued a statement to the following effect: "While not wishing bondholders to regard this distribution as definite evidence of the resumption of regular interest payments, it is hoped that with a prospect for stable market prices for newsprint, the company will be able to continue to pay at least one half of its bond interest each year."

Since that time there has been no statement issued by the committee as to the payment of further interest. Operations of the company this year have been well maintained and it is anticipated that revenues for 1935 will be as large as they were in 1934. It is likely that no action will be taken by the directors to pay further interest on the bonds until the results for 1935 are known.

LAKE ST. JOHN POWER AND PAPER
(Controlled by St. Lawrence Corp.)

Capitalization—

	Authorized	Outstanding
Common ...... n.p.v.	100,000 shs.	†100,000 shs.
Preferred cum. .. Par $100.	$4,000,000	*3,600,000

* All these shares held by St. Lawrence Paper Mills Co.
† Upon completion of exchange, all these shares will be held by parent company. As at Dec. 31, 1934, 99,246 shares were so owned. Control of company now rests with bond and debenture holders.

Funded Debt—
1st mtge S. F. bonds series A, 6½ per cent, due 1947, outstanding $4,711,000.
Mtge. debentures, series A, 6½ per cent due 1942, outstanding $2,822,000.
Prior lien bonds, 6 per cent, due 1943, outstanding $600,000. held by banks as collateral security for bank loan. Interest on the bonds and debentures in default Aug. 1, 1932. Payment postponed to Aug. 1, 1934. Interest on the 6½ per cent series A bonds, due Aug. 1, 1932, was paid on Feb. 1, 1935.

Interest and Sinking Fund Postponed—
In February, 1933, preference and common shareholders in consideration of the postponement to August 1, 1934, of the sinking fund and interest payments on the bonds and debentures due Aug. 1, 1932, to February 1, 1933, agreed to deposit under a voting trust 51 per cent of all the outstanding preference and common shares on the condition that such shares be used to elect five directors nominated by the bond and debenture holders' committees out of total board of seven. Subsequent payments have also been postponed.

Head Office—Dolbeau, P.Q.

Officers and Directors—
Officers—D. H. McDougall, chairman of board; A. S. McNichols, pres.; H. H. Horsfall, vice-pres.; P. M. Fox, gen. mgr.; C. W. Davison, sec.-treas.
Directors — D. H. McDougall, H. H. Horsfall,* Col. R. F. Massiet, Toronto; Arthur H. Campbell,‡ A. S. Nichols,† J. I. Rankin,‡ John Stadler,* Montreal.
* Representing bondholders. †Representing debenture holders. ‡Nominees of St. Lawrence Corporation.

Protective Committees
Bondholders D. H. McDougall, Toronto, chairman; G. A. Dobbie, Galt; H. H. Horsfall, H. R. Jackman, A. F. White, Toronto; W. S. Lighthall, and John Stadler, Montreal.
Debenture Holders: A. S. McNichols, chairman, Montreal; W. H. Marsh, J. W. Mitchell, R. R. Corson, Lt.-Col. R. F. Massie, Toronto; C. G. Cockshutt, Brantford.

Times Interest Earned—

	1934	1933	1932
Bond interest:			
Before deprec. & dep.	$1.33	$0.99	$1.27
Ater deprec. & depl.	0.64	0.36	0.70
Debenture Interest:			
Before deprec. & depl.	0.54	...	0.44

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
1931	569,963	......	*51,988
1932	388,740	......	*404,738
1933	305,945	......	*773,856
1934	405,822	......	*993,534

* Deficit.

Quebec Pulp

Practically all of the plant of the Quebec Pulp and Paper Co. at Chicoutimi was destroyed by fire last month. The mills, active a few years ago and having a rated capacity of 350 short tons of groundwood pulp per day, have been closed since 1930. It is understook that the loss is not particularly great.

This fire wipes out all the productive facilities of the Quebec Pulp and Paper. At one time the company had four plants, three in Chicoutimi, and one in Val Jalbert. The latter plant was dismantled some time ago. Control of the company rests equally with Price Bros. and Co., and Consolidated Paper Corp. About three years ago the management drew up plans for a capital reorganization of the company.

Owing to the bankruptcy of Price Bros., it has been impossible to carry out this scheme and meanwhile the management have continued their policy of keeping the plants closed down and conserving liquid resources.

The only public investment interest in this enterprise lies in the preferred stock, of which $7 millions is outstanding.

Quebec Pulp and Paper Company has cash resources of over $600,000, mostly Government bonds. Among its assets are large areas of valuable timberland, developed and undeveloped water power sites.

Capitalization—

	Authorized	Outstanding
Common .... N.p.v.	100,000 sh.	100,000 sh.
Pref. non-cum. red. .... Par $100.	$7,000,000	$7,000,000

Common—All held jointly by Consolidated Paper Corp., and Price Bros. & Co.

Dividend Record—
Preferred—7 per cent per annum. None paid to date.
Common—None paid.

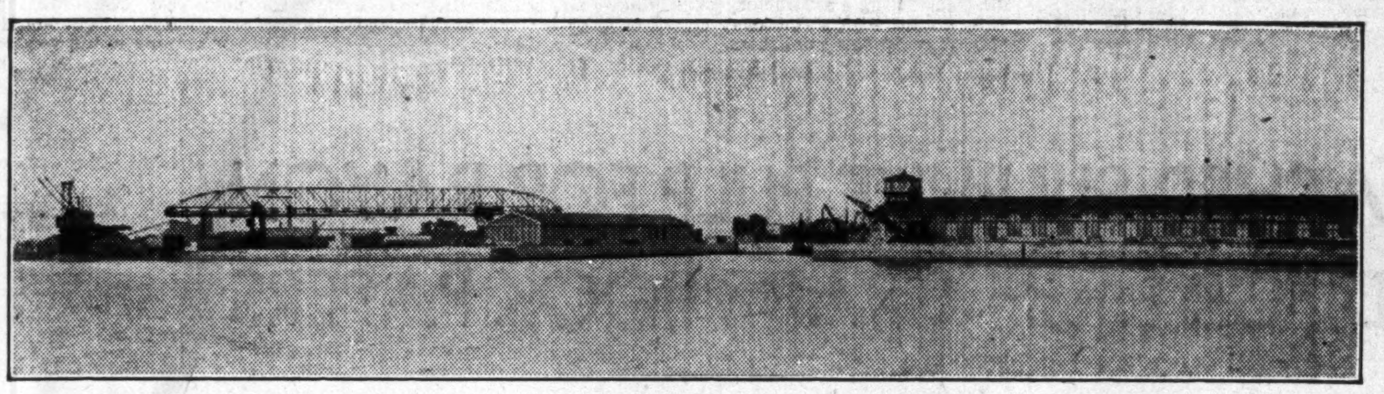
Head Office—Chicoutimi, P.Q.

Officers and Directors—
Officers—A. Stewart McNichols, pres.; C. R. Whitehead and Maj. Edward Flynn, vice-pres.; Oswald Brand, treas.; J. M. Carignan, sec.
Directors — A. Stewart McNichols, G. M. McKee, C. R. Whitehead, J. G. Porteous, George Henderson, Montreal; John H. Price, G. B. Elwin, Quebec, P.Q.; Maj. Edward Flynn, Kenogami, P.Q.

Four Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	36,216	......	*1,093,202
1932	42,473	......	*2,959,008
1933	40,396	......	*2,959,008
1934	36,471	......	*2,959,008

*Deficit.



Western end of the Harbour showing the two new sheds recently completed. Of concrete construction, these present the most up-to-date in cargo-handling facilities.

The HARBOUR of THREE RIVERS

An Asset to Industrialists and Distributors

1934 Statistics

In 1934, there docked in the Harbour 2,120 ships of a total registered tonnage of 1,751,751 compared with 1,867 ships in 1933.

The pulp and paper industry has centred its activities in and around Three Rivers and the district now manufactures about 2,100 tons of newsprint and kraft paper a day—making it the centre of the world's pulp and paper trade. In 1934, 82,764 tons of newsprint were shipped by water to various ports.

In addition, in 1934, quantity shipments of Kraft paper, aluminum, carbide, lumber, general cargo, and ore were exported.

Accessibility by land and water is one of the first requisites of an industrial location.

The St. Maurice Valley District is most advantageously served by the Harbour of Three Rivers, a natural port of entry, where **ships of the deepest draught** can load and discharge cargoes for and from the ports of the world.

Located at the head of tidewater, it has the further advantage that no tugs are required to berth or leave.

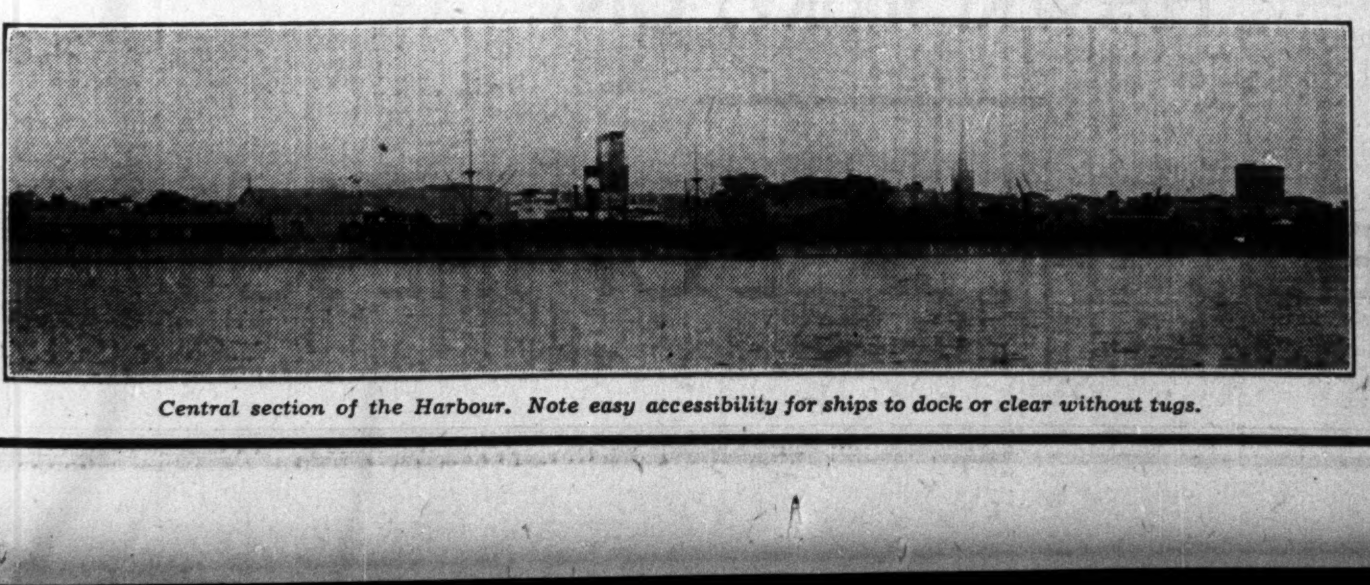
Both of Canada's great railway systems serve the district with efficiency and despatch.

With over $4,000,000 spent within the last five years, the Harbour of Three Rivers is up-to-date in its wharfage accommodation, storage facilities and handling equipment.

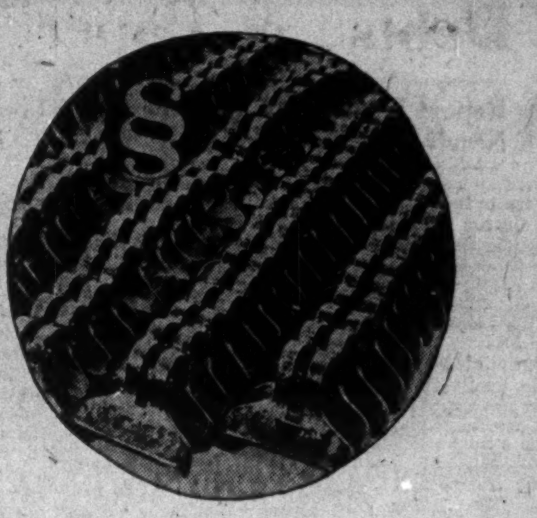
650,000 SQUARE FEET OF WHARFAGE SPACE; TWO STEEL DISCHARGING COAL TOWERS AND BRIDGES; COLD STORAGE OF 6,500 CUBIC FEET CAPACITY. TWO NEW FREIGHT SHEDS OF 400 x 60 FEET, OF MOST UP-TO-DATE DESIGN.

For further information and co-operation, apply to Three Rivers Harbour Commission

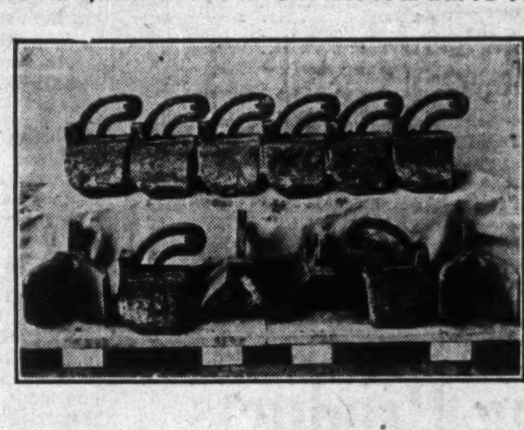
VICTOR ABRAN, N.P., *Chairman*
J. P. LORANGER and JOHN T. TEBBUTT, *Commissioners*
J. R. LARIVIERE, *Secretary and Treasurer*



Central section of the Harbour. Note easy accessibility for ships to dock or clear without tugs.

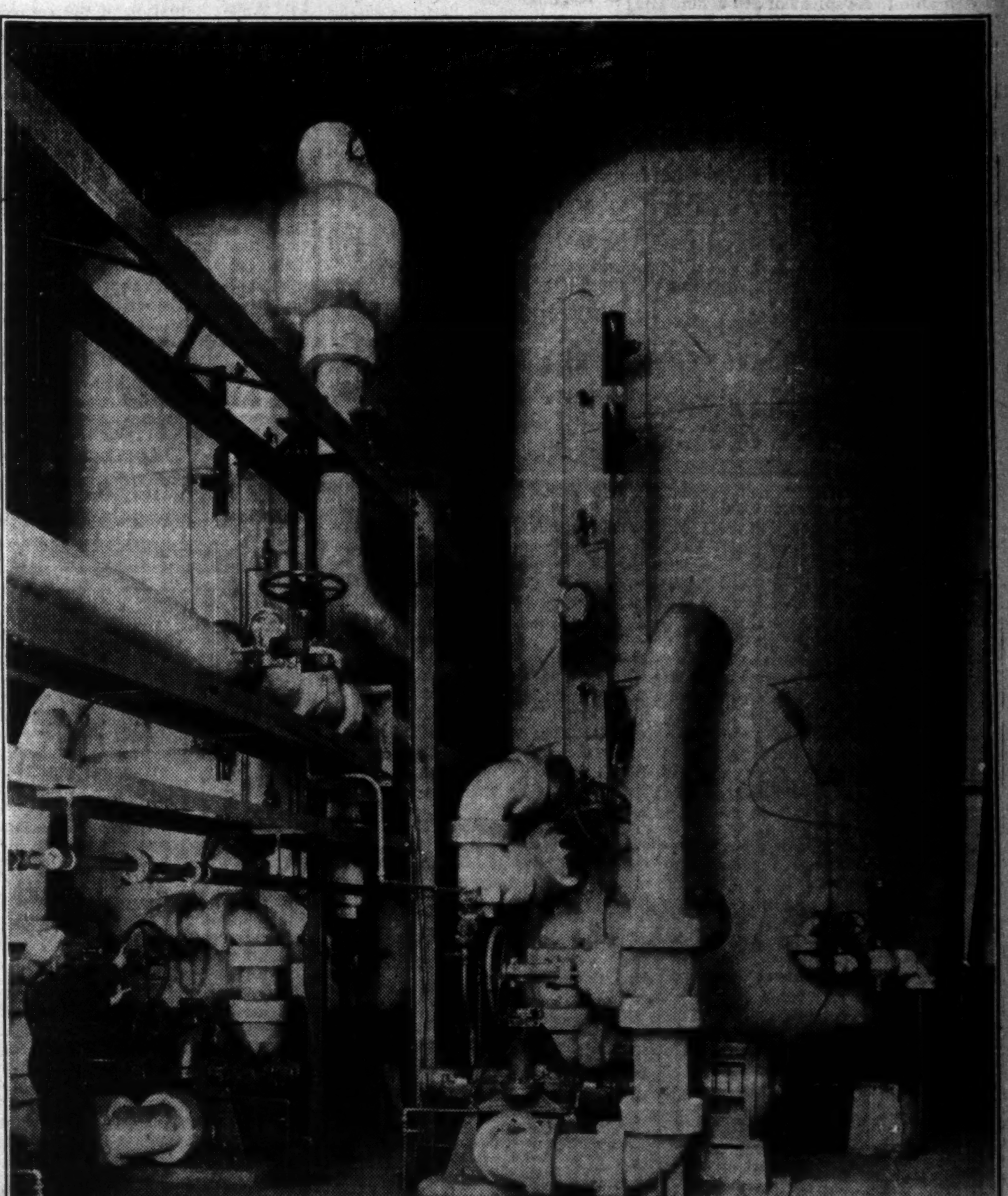


PULP AND PAPER MILL CASTINGS
in Manganese Steel
PADDLES, FLANGES, LINERS, BLADES, HAMMERS, GAP WHEEL TEETH
TRACTOR, SLEIGH AND OTHER WEARING PARTS



SOREL STEEL FOUNDRIES LIMITED
Executive and Sales Offices: 1405 PEEL ST., MONTREAL. General Offices and Plant: SOREL, P.Q.
170 BAY ST., TORONTO

EVERYTHING ELECTRICAL
FOR THE
PULP AND PAPER INDUSTRY



Two of three General Electric 30,000 kw. 3 phase, 25 cycle, 6,600 volt, Electric Steam Generators (operating pressure, maximum 200 lb. per square inch gauge) supplied to Hydro-Electric Power Commission for Ontario Paper Co., Thorold, Ont.

C.G.E. with modern, well equipped factories, staffs of trained engineers and backed by years of experience, provide a complete electrical service to the Pulp and Paper industry.

CANADIAN GENERAL ELECTRIC COMPANY LIMITED
Head Office — Toronto — Sales and Engineering Offices in Principal Cities

Pay Off Debts

Twenty Operators Report Bank Loans of Over $28 Millions—Pay Off Nearly $4.3 Millions in Past Year

Bank advances to Canadian pulp and paper companies were reduced by nearly $4.3 millions during the past year. The last statements of the reporting companies show a total of current and special bank loans aggregating $28.7 millions. This is in contrast with $30 millions a year previously.

By far the larger share of the money advanced by the banks to the operators has gone to newsprint companies. Loans to Consolidated Paper continue to dominate the picture. While the management of that company have been able to effect a substantial reduction in the amount owing to the banks and trust companies the unpaid borrowings at the end of last March totalled more than $13 millions, or almost half of all advances to the pulp and paper companies listed below.

Help Complete Project

Mersey Paper is another large borrower from the banks. Under ordinary circumstances this loan would have been repaid several years ago as the money was borrowed to complete constructional activities. Public financing was out of the question at the time. In the event of a price increase for newsprint and continued strength in the bond market, it is possible that this company will carry out the delayed financing next year and thus wipe out bank loans.

Abitibi and Price Bros. and Co., both bankrupt concerns, are also heavily indebted to the banks.

Among the non-newsprint producers, Fraser Cos. stand out. This company became heavily involved in 1932 and it was necessary to carry out a reorganization. Since then the company has been able to record a marked improvement in its earning power. While loans have been reduced, they still total nearly $4.4 millions and there does not appear to be much prospect of their being cleaned up this year.

Finance Current Operations

Other loans listed by pulp and paper companies are relatively small. In certain cases bank borrowings have been made to finance current operations and are automatically liquidated during the ensuing year. Consequently all the loans listed do not indicate that the companies are financially embarrassed.

Record of Loans

In analyzing the returns of the 20 companies, it is of interest to note that 12 report bank loans among their current liabilities. During the past year four companies increased their borrowings while six reported decreases. One loan remained unchanged, while one new company was added to the list of borrowers. One loan was cleaned up during the year, while eight companies reported their balance sheet free of borrowings.

Loans to Paper Companies
(in thousands $)

	1934	1933
Abitibi	3,745(1)	3,515(2)
B. C. Pulp	210	100
Bathurst	none	none
Brompton	191	none
Bldg. Prod.	none	none
Can. Inter. Paper	524(6)	524(6)
Consolidated	13,025(4)	13,998(5)
Corr. Paper	none	17
Donnacona	100	none
Dryden	none	none
Fraser Cos.	4,398	4,555
Great Lakes	none	none
Hinde & Dauch	none	none
Lake St. John	148	465
Mersey Paper	3,471	3,801
Price Bros.	2,160(3)	2,292
Prov. Paper	none	none
Rolland Paper	none	none
St. Lawrence	624	3
Howard Smith	146	756

(1) Including $3,600,000 of receiver's certificates; (2) including $2,075,000 of receiver's certificates; (3) March 31, 1934; (4) March 31, 1935; (5) March 31, 1934; (6) not including loans of Inter. Paper Co. of Newfoundland.

Building Products

Marked Improvement in Earning Power Last Year — Maintain Dividends on Stock — Financial Position Shows Strength

Building Products Ltd. has not only been able to maintain its working capital position but has reported a marked improvement in earning power.

The company is a leading producer of asphalt shingles,, roll roofing, roofing felts, wallboard, waterproof paints, cement, etc., in connection with roofing. Consequently its welfare is tied up with the volume of new construction undertaken in the Dominion, although it is also interested in export trade. While the amount of new building undertaken in the Dominion in recent years has been subnormal, the company, through diversification of its products, has been able to make a very satisfactory showing.

Operate in the Black

Financial statements of recent years show that the company has been able to report a net profit right through the depression though this was perilously close to the vanishing point in 1932. There was a slight comeback in 1933 and a very considerable one in 1934 when net profits were about half as much as in 1931. During these years working capital has been unaffected with actually a slight gain from 1929 to 1934. The proportion of readily available liquid assets to others is higher with cash, bonds etc., in 1934, amounting to $1.25 millions against an inventory of $423,000.

Capitalization—

	Authorized	Outstanding
Cl. A (non-vot.)	116,346 shs.	116,346 shs.
Cl. B (voting) ..	4,500 shs.	4,500 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Common, class A and class B—$1 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial quarterly dividend at present rate paid Oct., 1932, and regularly since. An extra payment of 25 cents per share paid Jan. 2, 1935.

Head Office—Montreal.

Officers and Directors—
Officers—P. R. Allen, chm. of board; W. R. McNeil, pres. and man. dir.; D. P. Hatch and C. P. Cowan, vice-pres.; R. C. Crooker, sec.-treas.
Directors—P. R. Allen, East Walpole, Mass.; W. R. McNeil, C. P. Cowan, D. P. Hatch, W. Brainerd, G. M. McKee, G. H. Montgomery, Montreal; H. R. Tudhope, Toronto.

Earnings per Share and Dividend Record—

Class A & B:	1934	1933	1932
Earned	$1.28	$0.21	*$0.07
Paid	1.25	1.00	1.35

*Based on net profits from operations.

Seven Years Earnings—

Year	†Earnings $	Dividends $	Surplus $
1928	376,395	191,818	643,465
1929	416,482	212,040	849,907
1930	326,434	241,692	934,649
1931	263,820	241,692	956,778
1932	9,068	163,142	860,117
1933	25,462	120,846	764,733
1934	154,216	151,057	767,892

†After adding income from investments and deducting reserve for contingencies and depreciation reserve.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com. A	34½	26⅝	27	16¼	21	10½

*To September 18.

Canadian Paperboard

No Report Issued Since Plants Leased to Gair Co. of Canada

No major developments have taken place in connection with the affairs of Canadian Paperboard Ltd., whose mills have been leased with an option to purchase by the Gair Co. Canada, following the reorganization carried out last year.

Under the terms of this lease, the Gair Co. will pay to Canadian Paperboard Ltd. an annual sum which will take care of taxes, insurance and underlying charges. In addition Canadian Paperboard will have a share in the profits of the Gair Co., Canada, after various charges have been provided. As this change has only been in effect a few months, no reports are available as to the success of the plan.

Canadian Paperboard went into receivership in the early part of 1930, largely because of the construction of a plant in Toronto, which the company was unable to finance at that time. The plants at Frankfort and Campbellford were closed down and producton concentrated in the Toronto and Montreal units. Various other economies were put into force by the receiver, but the results were not altogether satisfactory.

Form Operating Units

Early in 1933 it was decided to bring about a reorganization and a plan was arranged providing for the setting up of four operating companies to take over the properties in Montreal, Toronto, Frankfort and Campbellford. These units are controlled by a holding company, which in turn issued preferred and common shares to Canadian Paperboard Co.'s creditors.

Capitalization*—

	Authorized	Outstanding
Common .... N.p.v.	20,000 shs.	13,821 shs.
Preferred ...... Par $100.	$2,500,000	$1,568,700

*Upon completion of reorganization.

Funded Debt—
None.

Dividend Record—
Preference—Entitled to 7 per cent per annum, cumulative from Jan. 1, 1936. None paid to date.
Common—None paid.

Head Office—Montreal.

Officers and Directors—
Officers — Col. J. L. Ralston, pres.; W. S. Morden, vice-pres.; J. G. G. Kerry, sec.-treas.
Directors—Col. J. L. Ralston, Stanley Johnston, C. E. Lewis, Montreal; W. S. Morden, J. G. G. Kerry, Frank Lawson, Gordon MacLaren, Toronto.

U. S. Imports From Europe

Imports of newsprint into the United States from Europe during the first half of this year aggregated 90,809 tons. This was in contrast to 69,520 tons during the same period in 1934.

Corrug. Paper Box

Operations Continue on Improved Basis of 1934 — Take No Action on Arrears

Corrugated Paper Box Co. has been enjoying about the same operating experience in 1935 as in 1934. Last year's earnings, as shown below, improved substantially on those of 1933. Consequently the company has resumed the full seven per cent dividend rate on its preferred shares.

Earnings last year amounted to $7.62 for each preferred share and were the best since 1930. As a result of the improved earnings, there has been some discussion of what will be done with the $33.25 of arrears of dividends on each preferred share. As yet, the company is taking no definite action in regard to these arrears.

Products are corrugated and fibre shipping containers manufactured by the company at Leaside, Ont., and at Winnipeg through a subsidiary, Hilton Bros. Ltd.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	100,000 shs.	*47,000 shs.
Pref. cum. red. . Par $100.	$1,500,000	$783,500

*Including 1,243 shares unpaid.

Funded Debt—
None.

Dividend Record—
Preferred—Entitled to 7 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Initial dividend of 1¾ per cent paid Sept., 1928, and regularly up to and including June 1, 1930; none thereafter until June 1, and Sept. 1, 1935, when $1.75 paid each date.
Common—None paid.

Head Office—Leaside, Ont.

Officers and Directors—
Officers — A. T. Whealy, pres., gen. mgr. and treas.; J. A. Gairdner, vice-pres.; J. A. Whealy, vice-pres., sales mgr. and sec.; H. Hilton, Winnipeg, mgr.
Directors — J. A. Gairdner, J. A. Whealy, A. T. Whealy, O. A. Doherty, William Lawrence, Toronto; Henry Hilton, W. J. Hilton, Winnipeg.

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned†	$7.62	$1.96	....
Paid	nil	....	....
Common: Earned†	*0.10	....	....
None paid.			

†Before income tax except in 1934.
*After preference dividends for year but before arrears.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	159,596	55,055	162,638
1930	131,191	29,067	196,445
1931	†25,815	......	107,034
1932	26,265	......	95,661
1933	59,942	......	110,129
1934	113,875	......	146,236

†Loss.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Pref.	90	30	41½	23	..	..

*To September 19.

Maintain Trade Balance

From the standpoint of sustaining balances of trade, products of forest origin have always been more dependable than any other comparable group of commodities.

Consolidated Paper

Limited Tonnage and Low Price Brings Nearer Possibility of Further Capital Reorganization

Considerable interest is evinced in the affairs of Consolidated Paper Corp. Under the capital reorganization plan carried out a few years ago, interest charges on the company's funded debt of around $55 millions changes from an earned to a fixed basis in 1936. On the basis of revenues reported to date, and prospects over the next twelve months, it is considered doubtful if the company will be able to meet the interest on its funded debt. Already there is talk of a further capital reorganization, involving a scaling down of the funded debt, but this may be premature as much can happen over the next twelve months.

Observers point out that the funded debt of Consolidated Paper is too great for the company to carry under present operating conditions. The debt per ton of newsprint capacity is considerably above the average for the industry, and as other companies, with one or two exceptions, have been unable to meet interest charges, it is said that Consolidated Paper cannot possibly carry its funded debt unless there is a decided change for the better in the newsprint situation.

Heavy Bank Loans

Another perplexing problem facing the company is the liquidation of its banks and other current loans. At the end of last March the company had outstanding nearly $14 millions of loans. These were incurred by the predecessor company—Canada Power and Paper—and while progress has been made in reducing the current liabilities, the fact that current liabilities exceed current assets by over $6.6 millions, it would seem there is not much hope of these loans being cleaned up in the near future.

Operating Short Time

Revenue of the company is admittedly low but in line with that experienced by other producers. As at present constituted, Consolidated Paper has a daily rated capacity of over 1,900 tons of newsprint, together with 230 tons of chemical pulp and about 250 tons of kraft board and wrapper paper. Mill operations, more particularly in the newsprint section, have been well below the capacity figure. Last year Consolidated Paper manufactured a little better than 290,000 tons of newsprint, for an operating ratio of approximately 49 per cent. This indicates an excess capacity of about 300,000 tons of newsprint but as the Cap de la Madeleine mill has been closed down for some time, the operating position is not as bad as is indicated by the operating ratio.

The volume of business accruing to Consolidated Paper this year has been slightly better than a year ago. For the first quarter of 1935, the company's rate of production showed an increase of 5 per cent over the corresponding quarter of last year, while shipments were up nine per cent. Expectations are that returns for the full year will be on a somewhat better basis than was reported for 1934.

Capitalization—

	Authorized	Outstanding
Common ...... N.p.v.	2,000,000 sh.	1,534,725 sh.

Funded Debt—
1st mtge. gold bonds and sterling debenture stock, 5½ per cent, due 1961 outstanding $51,406,900. Balance of issued bonds pledged as collateral to special bank loans.

Subsidiaries—
Wayagamack News, 5 per cent 1st mtge. deb. stock, due 1940, outstanding, $954,354.
Ha! Ha! Bay Land & Building, 5½ per cent serial bonds, due 1939, outstanding $84,300.

Head Office—Montreal.

Officers and Directors—
Officers—LaMonte J. Belnap, pres.; G. M. McKee and C. R. Whitehead, assts. to the pres.; George Henderson, compt.; G. Wilfred Hodgson, sec.; D. Lloyd Adams, treas.; John W. Hodgson, asst. treas.
Directors—*LaMonte J. Belnap, *G. M. Todd, J. E. Ward, H. Crabtree, *N. J. Dawes, W. H. Howard, Beaudry Leman, *R. H. McMaster, *E. A. Macnutt, A. B. Purvis, *C. F. Sise, J. C. Smith, F. G. Bush, Montreal, Que.; *Col. H. D. Lockhart Gordon, *Hon. C. A. Dunning, Toronto, Ont.

The board of directors, comprising fifteen directors was formed, according to the plan of reorganization, by the election of nine members to represent the Protective Committee and who serve until 1936, and the balance represent shareholders. The directors representing the committee are denoted by asterisks (*).

Consol. Income and Surplus Account
Years Ended Mar. 31

	1935 $	1934 $
Gross oper. profit	†2,017,245	1,541,365
Less: Directors' fees	2,080	......
Bank & other int.	632,200	691,181
Int. of subsids.	53,476	62,197
Carrying charges	285,168	1,023,128
Operating profit	1,044,320	*235,141
Add: Profit fr. sale of other invests.	72,662	212,695
Net profit	1,116,982	*22,446
Less: Depreciation	1,116,982	......
Balance	......	*22,446
Add: Prev deficit	120,533	98,087
Pr period chgs.	......	36,788
Less: Trans. from cont. reserve	......	36,788
Deficit forward	120,533	120,533

*Loss or deficit.
†Includes income from investments $54,002, exchange and miscellaneous revenues.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Common	2.12	.70	3½	1½	6⅝	1½

*To Sept. 18.

Dryden

Better Financial Report Expected for Current Year — May Cover Bond Interest

Dryden Paper Co.'s financial statement for the year ended this month is expected to make better reading than the one for the fiscal year 1934. In the latter year operations were only 42 per cent of capacity, but since then conditions have improved especially in the paper bag mill.

For the first half of the current fiscal year every month showed a profit more than sufficient to meet bond interest before depreciation.

This company's operations are confined to the manufacture of sulphate pulp and kraft paper. Although bond interest was not earned in either 1932 or 1933, payment was made and in the 1934 fiscal year, net income was just sufficient to cover the senior charge. The working capital position of the company, on the other hand, has been maintained on a relatively satisfactory basis. At the end of September a year ago, current assets totalled nearly $600,000, while current liabilities were less than $44,000.

Capitalization—

	Authorized	Outstanding
Common ...... N.p.v.	150,000 shs.	150,000 shs.

Funded Debt—
1st mtge. S. F. gold bonds, 6 per cent, due 1949, outstanding $1,419,500.

Dividend Record—
None paid.

Head Office—Montreal.

Officers and Directors—
Officers—J. H. A. Acer, pres.; F. A. Sabbaton, vice-pres.; H. Humphreys, treas.; E. S. Pincott, sec.; W. F. Robinson, asst. sec.
Directors—J. H. A. Acer, F. A. Sabbaton, G. Chahoon, Jr., P. A. Thomson, Dan McLachlan, J. B. Woodyatt, E. S. Pincott, E. R. Parkins, Montreal.

Times Interest§ Earned:

	1934	1933	1932
Before deprec.	1.00	0.33	0.68

§And U. S. exchange in 1932 and 1933.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	325,707	......	210,253
1929	351,823	......	151,704
1930	193,967	......	162,439
1931	95,311	......	167,750
1932	69,379	......	119,492
1933	32,488	......	*30,196
1934	87,632	......	*47,094

*Deficit.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Common.	5¾	3	7¼	3	7¾	¾

*To September 18.

Powell River

Powell River Co., operating a newsprint mill in a town of the same name in British Columbia, operated at better than rated capacity in 1934. This state of affairs has been maintained during the current year, so that it is expected revenues for 1935 will equal those reported in the past year.

Increasing cost of operation as a result of higher wages and a rise in the price of wood, machinery and equipment, have made the economic problem of B.C. newsprint mills more difficult than ever before, even though they enjoy the advantage of all-year tidewater transportation, easy access to markets and cheap water power.

While the mills have been operating near capacity the price level is so low that profitable operations are difficult. They have been obliged to improve the quality of their product to hold the market and to effect economies wherever possible. Powell River Co., for example, is now completing a $500,000 programme designed to meet these conditions.

Canadian International Paper Company
1155 Beaver Hall Square, Montreal

NEWSPRINT PAPER

BLEACHED SULPHITE PULP FOR RAYON AND FOR HIGH-GRADE BOOK PAPERS

NEWSPRINT MILLS:
DALHOUSIE, N.B.
GATINEAU, QUE.
THREE RIVERS, QUE.
CORNER BROOK, NFLD.

BLEACHED SULPHITE PULP MILLS:
KIPAWA, QUE.
HAWKESBURY, ONT.

"PAPER IS THE BASE OF THE JOB"

Canadian Inter. Paper

Production Satisfactory, But Low Prices Put Revenue Below Bond Interest Needs — Parent Company of Concern

Canadian International Paper, controlled by International Paper Co., reported an improvement in sales in 1935, but due to higher operating costs, net income did not show any marked difference from that reported in 1933.

Last year the four newsprint mills controlled by the company at Gatineau, Three Rivers, Dalhousie and Corner Brook, operated at 82 per cent of capacity, producing 659,566 tons as against 544,373 tons in 1933.

In addition the Kipawa and Hawkesbury pulp mills operated substantially at capacity, their output amounting to 146,027 tons of bleached sulphite, compared with 141,111 tons in the previous year.

Average prices realized for the sulphite pulp were higher than in 1933, but newsprint prices remained at the low level to which they had declined in April, 1933.

In connection with newsprint prices, A. R. Graustein, president, points out that the price now being charged for newsprint by North American mills is not sufficient to cover much more than cash out of pocket, costs for labor, materials and transportation to markets, and in many cases not even that.

Did Not Cover Interest

Examination of the income account for 1934, shows that net income, before depreciation, was not sufficient to cover interest on the company's own bonds and those of its subsidiaries. Net loss for the year after taking into consideration allowance of approximately $2.6 millions for depreciation and depletion, was nearly $4 millions, or slightly higher than that reported for 1933.

The financial position of Canadian International Paper at the end of 1934 showed relatively few changes compared with that reported for the corresponding time in the previous year. Working capital was less due to the inclusion of certain current liabilities payable in the early part of this year, whereas in other years these liabilities were shown elsewhere on the statement.

Owe More to I. P.

The principal change of interest in the balance sheet was an increase in the amount owing to International Paper Co., from $954,079 in 1933 to $2,576,966 at the end of last year. The latter figure includes deferred and accrued interest on bonds and secured notes. In addition it is noted that C.I.P. has $5 millions of 6 per cent secured notes, all of which are held by International Paper Co., falling due May 1, 1935. Though the statement was prepared and issued after that date, no mention is made as to the manner in which this obligation was handled.

Consolidated bank loans, representing the borrowings of International Power and Paper Co. of Newfoundland and New Brunswick International Paper Co., increased during 1934 from $1.3 millions to nearly $2.3 millions. Canadian International Paper Co. has no direct bank loans.

An Involved Situation

Canadian International Paper is not without interest in the welfare of the parent company, International Paper and Power Co., which in turn controls International Paper Co. I.P. and P. secures its revenue from two principal sources, namely, International Paper Co. and International Hydro-Electric System. While International Paper Co. has been progressing as satisfactorily as can be expected under present conditions, the situation surrounding International Hydro-Electric System holds grave possibilities. The System controls power properties in the United States through New England Power Association and in Canada through Canadian Hydro-Electric Corp.

Not long ago New England Power Association found it necessary to defer dividends on its common stock, the majority of which were held by the I.H.E.S. This left Canadian Hydro-Electric as the principal source of income for the system. The continued stability of this source of income is far from being assured as a result of the threatened action of the Ontario Government to repudiate the contracts made between the Ontario Hydro and Gatineau Power Co., the operating unit of Canadian Hydro-Electric. In the event of the Ontario Government repudiating the contracts, no payment could be made by Gatineau to Canadian Hydro-Electric and in turn to International Hydro-Electric System. This would create a very serious situation, which might possibly have repercussions among I. P. & P.'s direct and indirect subsidiaries. The seriousness of the situation has been stressed on several occasions by A. R. Graustein, the executive head of this large power and pulp and paper enterprise.

International Paper & Power

Capitalization—	Authorized	Outstanding
Common A ..	5,000,000 sh.	998,392 sh.
Common B ..	3,000,000 sh.	998,392 sh.
Common C ..	5,000,000 sh.	2,498,171 sh.
N.p.v.		
Pref. 7%	$100,000,000	$92,495,000
Pref. 6%	2,000,000	1,664,900
Par $100.		

Funded Debt—
The company has no funded debt, but, as at Dec. 31, 1933, bonds, etc. of subsidiary companies outstanding amounted to $360,110,783, of which $286,656,389 comprises obligations of power and utility subsidiaries, and $73,454,394 of paper and pulp companies. Maturities during 1934 totalled $2,206,516.

Dividend Record—
7% pref. and 6% pref.—Entitled to 7% or 6% per annum; cumulative, payable Jan., April, July and Oct. 15, in U. S. funds; paid regularly from Jan., 1929, to April, 1931; none since.
Class A common—None at present; $2.40 per share per annum paid regularly from Feb. 15, 1929, to Aug. 15, 1930; none since.

Head Office—89 Broad St., Boston, Mass.

Officers and Directors—
Officers—A. R. Graustein, pres.; F. D. Comerford, N. C. Head, W. N. Hurlbut, vice-pres.; H. R. Weaver, vice-pres. and treas.; T. G. Dignan, sec.; E. B. Norcross, R. G. Ladd, A. R. Storm, asst. treas.; C. D. Young, F. A. Auffermann, Jr., H. C. Hahn, G. S. McCarthy, asst. secs.
Directors—W. C. Baylies, Wm. Chamberlain, F. D. Comerford, J. R. Macomber, Boston, Mass.; M. G. Chace, Providence, R.I.; A. R. Graustein, D. T. Layman, Jr., A. H. Wiggan, A. A. Tilney, Gordon Auchincloss, Ogden L. Mills, New York, N.Y.; W. W. Sunderland, Dayton, Ohio; Ogden Phipps.
Executive Committee—A. R. Graustein, chm.; Gordon Auchincloss, M. G. Chace, A. A. Tilney, D. T. Layman, Jr., J. R. Macomber, Ogden L. Mills, W. W. Sunderland.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928*	17,604,276	8,655,610	18,184,646
1929	34,551,982	8,834,511	15,069,332
1930	41,275,748	7,703,038	12,976,213
1931	40,631,611	1,632,565	11,961,887
1932	37,111,048	......	3,204,158
1933	41,820,638	......	†2,600,191
1934	9,711,517	......	†9,554,830

*Compiled by the company for comparative purposes only.
†Deficit.

Market Record—(New York Stk. Exch.)—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Pref. ...	15⅜	4½	24⅞	8⅛	22½	2
Cl. A ...	3	1⅛	6½	2	10	½
Cl. B ...	13¼	⅜	3½	⅞	5¾	¼
Cl. C ...	1⅛	⅝	2¾	⅝	4	¼

*To September 18.

Canadian International Paper
(Controlled by Canadian International Paper Ltd.)

Capitalization—	Authorized	Outstanding
Common	$10,000,000	*$10,000,000
Par $100.		

Funded Debt—	Outstanding
1st mtge. gold 6%, due 1949	$23,250,000
Ref. mtge. 6%, due 1946 A	*23,400,000
Do., 5% C, due 1934	*4,250,000
Floating chg. 6%, due 1946..	1,000,000
Riordon Pulp & Paper: 1st mtge. s. f. 6% debs., due 1942	650,600
N. B. International Paper: 1st mtge. 6%, due 1961	*12,500,000

*All owned by International Paper Co.

Dividend Record—
Common—$3 per share paid in 1930; $12 in 1931 and $6 in 1932. None paid in 1933.

Head Office—Montreal.

Officers and Directors—
Officers—A. R. Graustein, pres.; Brig.-Gen. J. B. White, first vice-pres.; E. A. Charlton, vice-pres.; N. C. Head, vice-pres.; W. N. Hurlbut, vice-pres.; J. L. Fearing, vice-pres. i/c newsprint sales; F. G. Robinson, vice-pres. i/c sulphite sales; C. B. Thorne, vice-pres. i/c sulphite manufacture; H. R. Weaver, treas.; Roy Campbell, sec.; H. J. Webb, compt.; C. D. Young, asst. sec.
Directors — Hon. Raoul Dandurand, V. M. Drury, J. A. Eccles, G. H. Montgomery, Hon. Donat Raymond, F. N. Southam, Brig.-Gen. J. B. White, Hon. Smeaton White, Montreal, P.Q.; Gordon C. Edwards, G. Gordon Gale, Ottawa, Ont.; J. H. Fortier, Quebec, P.Q.; A. R. Graustein, N. C. Head, J. H. Phipps, J. F. Rollins, A. H. Wiggin, G. Auchincloss, New York; J. R. Macomber, Boston, Mass.; H. P. Robinson, Saint John, N.B.; T. A. Russell, Toronto, Ont.
Executive Committee—A. R. Graustein, chm.; Brig.-Gen. J. B. White, N. C. Head, G. H. Montgomery.

Times Fixed Charges Earned—

	1934	1933	1932
Before deprec. & depletion	0.78	0.75	0.61
After deprec. & depletion	0.37	0.37	0.21

Continental Paper & Bag
(Controlled by International Paper Co.)

Capitalization—	Authorized	Outstanding
Common	$3,000,000	$3,000,000
Par $100.		

All owned by International Paper Co.

Funded Debt—
1st ref. bonds series A, 6½ per cent, due 1944, outstanding $283,000. Marinette & Menominee Paper Co., 7½ per cent bonds, due 1936*, outstanding $900,000.

*Guaranteed as to principal and interest by Continental Paper and Bag Mills Corp. and assumed by the new company on its formation.

Continental Paper Products
(Controlled by Continental Paper & Bag Corp.)

Capitalization—	Authorized	Outstanding
Common*	$1,250,000	$750,000
Pref. cum. partic.*	750,000	725,000
Par $100.		

*All owned by Continental Paper & Bag Corp.

Funded Debt—
First and coll. trust S. F. bonds, 6½ per cent, series A, due 1943, outstanding $414,000.

International Fibre Board
(Controlled by International Paper Co.)

Capitalization—	Authorized	Outstanding
Common	10,000 shs.	10,000 shs.
No par value.		
1st pref. cum. ...	$1,500,000	$1,500,000
Par $100.		
2nd pref. non-cum.	65,000 shs.	65,000 shs.
No par value.		

Of the above International Paper Co. owns $1,318,800 of the first preferred, 64,999 shares of the second preferred and all of the common.

Officers—
E. A. Charlton, pres.; J. B. White and H. R. Weaver, vice-pres.; Owen Shepherd, treas.; C. D. Young, sec., E. E. Adams, asst. sec.

I. P. of Nfld.

International Power and Paper Co. of Newfoundland's plant at Corner Brook has been operating at full capacity since February, current daily output approximating 575 tons. Total production for the first four months of 1935 amounted to 53,142 tons, 9.3 per cent higher than that at the same period last year and 27.8 per cent above 1933.

Prospects for the 1935 wood-cut are about normal and wage and labor conditions are expected to be much the same as those prevailing during the latter half of 1934.

Last year the Newfoundland mill produced 165,486 tons of newsprint, up from 162,394 tons in 1933. Lower average selling price caused gross revenues to decline approximately $375,000. This factor and the lower value for the United States dollar, which caused a loss on exchange of $59,360 as compared with a gain of $436,375 in 1933, were largely offset by a reduction in cost of sales and expenses and some decline in interest charges. Net revenues, however, were sufficient to cover all interest charges before depreciation and depletion.

Interest in Bonds

In recent years there has developed a wide Canadian investment interest in International Power and Paper Co. of Newfoundland's 5 per cent first mortgage bonds. Ranking junior to this issue, is a block of A mortgage debenture stock unconditionally guaranteed as to principal and interest by the British treasury; another block of B debenture stock unconditionally guaranteed as to principal and interest by the Newfoundland Government, and the capital stock. The preference shares are closely held by interests associated with the predecessor company while all of the common stock is owned by Canadian International Paper Co.

International Power & Paper of Newfoundland
(Controlled by Canadian International Paper Co.)

Capitalization—	Authorized	Outstanding
Common	£5,000,000 (Common and Pref. together)	†£500,000 ($2,433,250)
Pref. 5%		£2,080,000 ($10,122,320)
Par £1.		

†Entirely held by International Paper and Power Co.

Funded Debt—
1st Mtge. bonds, 5 per cent, due 1968, outstanding $4,866,000. Nfld. Power & Paper "A" mortgage deb. stock, 4½ per cent, due 1973, outstanding $9,733,000. Present due date in 1948, but in effect the company has the right of extension to 1973.
"B" mortgage 5½ per cent debenture stock, due 1970, outstanding $9,313,021.

Head Office—Corner Brook, Nfld.

Officers and Directors—
Officers—A. R. Graustein, pres.; N. C. Head, vice-pres.; E. A. Charlton, vice-pres. and gen. mgr.; H. R. Weaver, treas.; A. R. Storm and H. A. Maycrink, asst. treas.; C. D. Young, sec.; T. S. Howard, asst. sec.
Directors—A. R. Graustein, N.C. Head, J. F. Rollins, J. H. Hinman, G. A. Brownell, H. R. Weaver, R. L. Weldon, E. A. Charlton, all of New York; Sir G. S. Barnes, J. Frater Taylor, London, Eng.; W. H. Abbott, Hon. H. A. Winter, St. John's, Newfoundland.

Times Fixed Charges Earned—

	1934	1933	1932
Before deprec. & depletion	1.26	1.33	1.65
After deprec. & depletion	0.80	0.88	1.23

Earnings per Share and Div. Record:

Pref.: Earned		nil	$0.17
None paid.			
Common: Earned		nil	nil
None paid.			

Overseas Market Builds Up Volume

Though the United States is and will continue to rank as Canada's most important newsprint customer for many years to come, the growth of other markets, usually designated as "overseas," has been the feature of the increased marketings in the past year and a half. Compared with the record year of 1929, trade returns for 1934 show that Canadian operators have increased their share of the Australasia market from about 40 to 70 per cent; the Argentina market from around 45 to 60 per cent; and other Latin American markets from 12 to over 30 per cent.

The African markets have not shown much change during this period. In 1929 no shipments were made to either Japan or China, but in 1934, Canada supplied about 15 per cent of Japan's newsprint requirements and nearly half of China's needs. Canada's position in the United Kingdom market, on the other hand, has steadily declined.

M. & O. Paper

Minnesota & Ontario Paper Co., Minneapolis, is in bankruptcy under the new U.S. bankruptcy law. Trustees for security holders are C. T. Jaffray, R. H. M. Robinson and S. M. Archer. The trustees are still receiving claims against the bankrupt state, time for receipt of claims having been extended by the court.

While plans for reorganization of the property have been considered, the law's delays and extension of time for filing claims has precluded any definite action.

Substantial improvement in operating results is reported for the six months ended June 30, 1935, compared with the 1934 period. All receivers' certificates have been paid off. Due chiefly to charging of interest on funded debt, depreciation, depletion, loss on sale of assets and other items against earnings, the company's surplus is being reduced.

Trustees in Charge

The trustees are in charge of operations of the company in the interest of security holders until steps are taken under the new U.S. bankruptcy act to complete a reorganization. Due chiefly to the low price of newsprint, reorganization under present conditions would hardly produce much income for bondholders. The company's deliveries in 1934 increased about 30 per cent over 1933 which effected earnings improvement. This improvement has been carried into 1935.

Capitalization—	Authorized	Outstanding
Common	$15,000,000	$10,092,000
Pref. 6% cum. ..	5,000,000	4,036,000
Par $100.		

Funded Debt—
1st mtge. S. F. bonds, 6 per cent series A, due serially 1930 to 1945, outstanding $15,400,000; series B, due 1948, $4,000,000; series C, due 1950, $5,000,000. Interest in default on A and B series since Apr. 1, 1931; on C series since May 1, 1931.
Six per cent gold notes, due Mar. 1, 1931, issued $3,500,000. Principal and interest due Mar. 1, 1931, in default.
In Feb., 1932, holders were advised that all creditors were required to file their claims on or before March 1, 1932.
Town of Kenora debs. due 1936-1942, outstanding $335,000. Secured by special deposit with trustees of $350,000.
As at Dec. 31, 1934, outstanding funded debt of subsidiary companies totalled $2,105,020.

Dividend Record—
Preferred—None paid since Jan. 2, 1931.
Common—None paid.

Head Office—Minneapolis, Minn.
Bondholders' Protective Committee — F. K. Shrader, chairman; C. S. Garland, F. M. Gordon, W. A. Smart, R. P. Mattiessen, A. D. Cobban, R. S. Waldie, H. D. Thrall; H. R. Mosser, Chicago, sec.; National Trust Co., Toronto, a co-depositary.

Times Interest Earned—

	1934	1933	1932
Before deprec.	0.013	nil	0.03

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	5,339,186	225,360	37,660,554
1929	5,122,818	225,360	39,601,070
1931§	1,889,236	225,360	36,962,882
1932	†178,726	......	25,924,036
1933	†814,632	......	22,452,872
1934	†25,441	......	18,740,230
1935‡	160,739	......	16,646,669

§For 14 mos. ended Feb. 28, 1931.
†Loss or deficit. ‡Six months.

Maclaren Co.

Operations at High Level—Associates' Troubles Are of Importance

James Maclaren Co. owners and operators of a 250-ton newsprint mill at Masson, P.Q., operated at about 90 per cent of capacity in 1934. For the current year to date operations have been on much the same level and it is expected that the volume of newsprint manufactured in 1935 will equal that for last year.

Operations of James Maclaren Co. are tied in with the scheme of the Maclaren Power and Paper Co., which, in addition to James Maclaren Co., controls extensive lumber operations and the Maclaren Quebec Power Co. Neither of the operating subsidiaries publish separate financial statements, so that the financial progress of the Maclaren enterprise can only be judged from the report of the holding company. Last year consolidated earnings totalled nearly $1.2 millions, as against $866,686 during the preceding year. After writing off about $200,000 for depreciation and depletion, the balance was barely sufficient to cover interest payments.

One in Difficulties

It is difficult to determine at this time how the James Maclaren Co. will be affected by difficulties of the Maclaren Quebec Power Co. The latter is threatened with the repudiation of its Ontario Hydro contracts. Should this repudiation be carried out, it would be a serious blow to the company as its public financing has been based in part upon anticipated revenues from the Hydro power contracts. The public financing has been carried out by the Maclaren-Quebec Power Co., so that its troubles may not directly affect newsprint operations

MACLAREN POWER AND PAPER

Capitalization—	Authorized	Issued
Common	750,000 shs	500,000 shs.

Funded Debt—
None, but MacLaren-Quebec Power Co., subsidiary, has outstanding $12,000,000 5½ per cent first mortgage bonds, series "A" due 1961, and series "B" due 1964, $6,000,000.

Dividend Record—
In 1931 the sum of $175,000 was paid which is equivalent to $0.35 per share. None reported in 1932; none paid in 1933 or 1934.

Head Office—Buckingham, P.Q.
Officers — Albert Maclaren, pres.; Alexander Maclaren, vice-pres.; J. A. Bryant, sec.; J. T. Black, treas.
Directors—Albert Maclaren, Alexander Maclaren, R. M. Kenny, T. F. Kenny, C. H. Maclaren, J. R. Maclaren, J. T. Black, J. A. Bryant, J. N. Copping, C. R. Morrison.

Three Years Earnings*—

Year	Earnings $	Dividends $	Surplus $
1931	†746,274	175,000	608,724
1933	866,686	......	504,885
1934	1,190,328	......	596,147

† For period ended Nov. 30, 1931, being a full year's operation of James Maclaren Co. and eleven months operation of Maclaren-Quebec Power Co.
* Maclaren Power & Paper Co. (including its subsidiaries, the James Maclaren Co. and Maclaren-Quebec Power Co.

Times Interest† Earned—

	1934	1933	1932
Before depr. & depl.	$1.20	$1.24	$1.63
After depr. & depl.	1.00	0.99	1.24

† Less amount charged to capital construction.

JAMES MACLAREN CO.
(Controlled by Maclaren Power & Paper Co.)
Capital Stock—Common only; all, except directors' qualifying shares, owned by Maclaren Power and Paper Co. No funded debt.

Don Valley Paper

Toronto Concern Sales Gain 10 p.c. — Dividends Resumed

Sales of Don Valley Paper Co., Toronto, exceeded those in 1934 by about 15 per cent in physical volume and about 10 per cent in dollar volume. Sales in 1934 had exceeded those in 1933 by about 15 per cent in dollar volume and about the same in physical volume.

The improving situation led the company to resume the payment of dividends on a seven per cent basis on the 697 shares of seven per cent preferred stock of $100 par value.

The company's year ends on September 30 and the regular dividend of 1¾ per cent for the last quarter has been declared and 1¾ per cent on arrears as well. This is encouraging to the shareholders as previously there had been 28 per cent in arrears.

The company has made good progress in manufacturing and sales for the last seven years. Its lines include cover paper, tags, colored specialties and blotting paper.

The company wiped out its banking loan during the year. There is no funded debt although a mortgage of $30,000 is being reduced from year to year under the terms of the mortgage.

Capitalization—	Authorized	Outstanding
Preferred 7%	1,500 shs.	679 shs.
Par $100.		
Common	5,000 shs.	2,967 shs.
No par value.		

Officers—
N. E. Wainwright, pres.; R. H. Joyce, vice-pres.; J. F. MacKenzie, supt. and director.

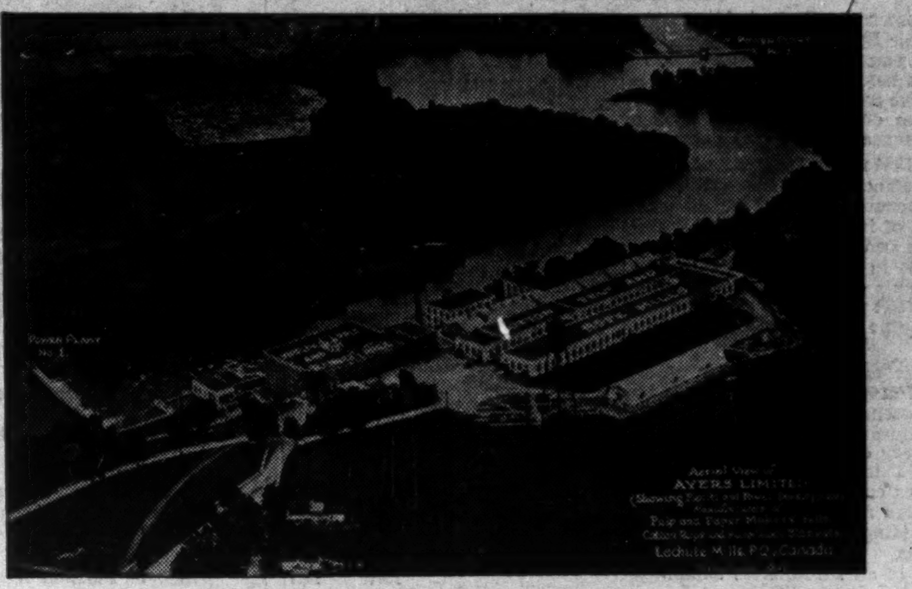
Minas Basin

Minas Basin Pulp and Paper Co., of Hantsport, N.S., manufactured about 8,700 tons of high grade mechanical pulp during 1934. This compared with the rated capacity of 12,000 tons annually and is regarded as a satisfactory showing in view of the unsettled state of the market for groundwood pulp. Most of the company's output is marketed with the Scott Tissue Mills in the United States.

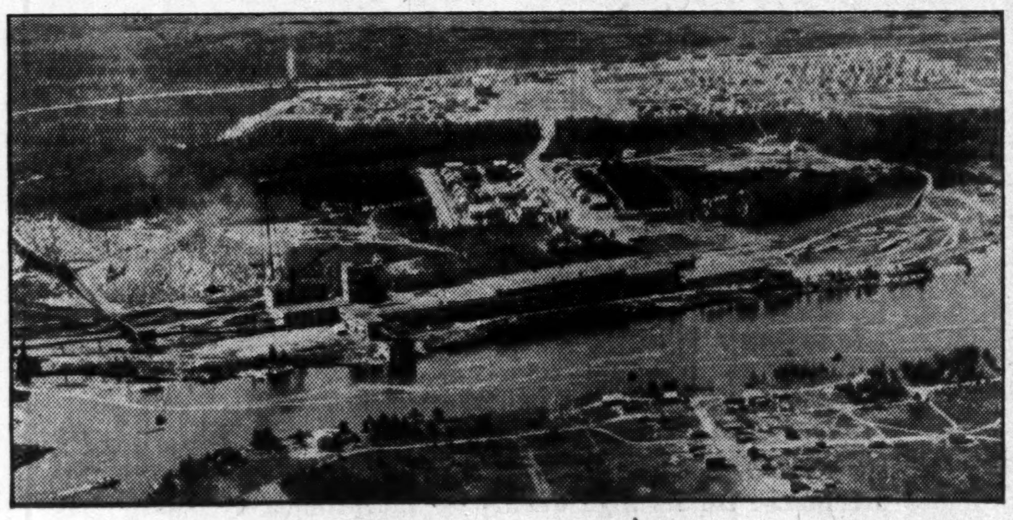
Early last year Minas Basin Pulp management undertook to diversify production.

Another development last year was the construction of a power plant to meet the company's own requirements.

Established 1870
AYERS LIMITED
Lachute Mills, P. Q.



Leading Manufacturers of
PULP and PAPER MAKERS' FELTS
Woollen — Cotton — Asbestos
COTTON TRANSMISSION ROPE
PURE WOOL BLANKETS
Household Use — Machine Clothing
Printing — Stereotyping
TWEED and other WOOLLEN CLOTHS



The modern mill and head office at Dolbeau, Que.

LAKE ST. JOHN POWER & PAPER COMPANY LIMITED

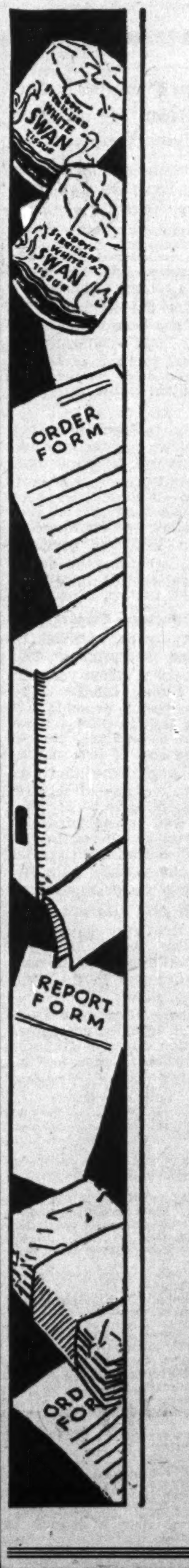
A modern mill, strategically located in relation to timber and power resources, for the economical production of newsprint paper.

DAILY CAPACITY - - 300 TONS

OFFICERS
D. H. McDougall, *Chairman of Board*
A. S. McNichols, *President*
H. H. Horsfall, *Vice-President*
P. M. Fox, *General Manager*
C. W. Davison, *Secretary-Treasurer*

DIRECTORS
D. H. McDougall; H. H. Horsfall;
Col. R. F. Massie; Arthur H. Campbell;
A. S. McNichols; J. I. Rankin; John Stadler

MILL AND HEAD OFFICE AT DOLBEAU, QUEBEC
ADMINISTRATION OFFICE: MONTREAL, QUEBEC



Quality Papers by EDDY'S

The building of a reputation for quality is not an easy task, nor is it one to be accomplished overnight. It takes years and years of steady adherence to high standards—and once attained it calls for unceasing vigilance to protect and maintain that quality that means so much.

The E. B. Eddy Company Limited was established in 1851. Quality has been the guiding principle, and in the light of the reputation for quality paper products now enjoyed by the company, it might be said of the founders "they builded better than they knew."

The E. B. EDDY Company
LIMITED
HULL CANADA

Manufacturers of a wide range of quality papers for Commercial, Professional and Domestic purposes.

Cheneaux Bond
A bond paper with strength, folding qualities, durability and appearance. Ideal for invoices, statements, cheques, reports, memo forms, office records, order forms, etc.

Dalhousie Bond
A particularly fine bond for quality printing jobs where a fine bond paper is required. Smooth in color, even in texture and of uniformly high quality.

Onliwon Industrial Towels and Tissues
Throughout Canada, in hotels, public institutions, office buildings and factories, Eddy's Onliwon Industrial Towels and Tissue have long been standard equipment. They are safe, sanitary, economical and convenient.

Sterilized Toilet Tissues
No better values can be found anywhere than Eddy's "White Swan," "Navy" and "Dreadnought"—three of Eddy's most widely accepted brands. All Eddy tissues are safe, sanitary and economical.

Also
Light Weight Bonds, Book and Litho Paper, Express Writing, Bristol Board, Ticket Board, Kraft, Kraftex and Manilla Wrappings.

St. Lawrence Corp.

Holding Company for Three Quebec Mills Finds Little Improvement in Conditions — No Revenue from Subsidiaries

St. Lawrence Corp., holding company for St. Lawrence Paper Mills and Brompton Pulp and Paper, as well as holding the junior equity in the Lake St. John Power and Paper Co., has departed from its custom of issuing a consolidated statement.

The 1934 report consisted of a general balance sheet and profit and loss account, both of which were barren of information to the shareholders and of meaning unless considered in conjunction with the statements of subsidiary companies. The profit and loss account shows no income but expenses totalled $8,095.

In the report the auditor states that no provision has been made by St. Lawrence Corp. for amortization of organization expenses. Losses of subsidiary companies have not been included in the statement of the holding companies, neither have they been reserved for the books of the holding company or the subsidiaries. The excess losses over profits of all subsidiaries amounted to $723,997 during 1934.

The auditors further report in the case of all subsidiaries, except Lake St. John Power and Paper, that the reserves for depreciation and depletion are inadequate.

Depends on Subsidiaries

Any improvement in the position of St. Lawrence Corp. must necessarily come from a betterment in the position of its operating subsidiaries. Last year Brompton recorded an increase in its operating profits, but there was very little available for distribution to the parent company. St. Lawrence Paper Mills reported an operating loss in 1934. In respect to the other subsidiary—Lake St. John Power and Paper—little is to be expected from that source until the claims of the bondholders, who are now operating the company, have been satisfied.

Both an improvement in tonnage and a better price for newsprint are essential before St. Lawrence Corp. can do anything for its shareholders. Brompton offers the best possibilities at the moment, as St. Lawrence Paper Mills has outstanding a large block of preferred stock on which dividends have been in arrears for some years.

Capitalization—

	Authorized	Outstanding
Common N.p.v.	*2,000,000 sh.	571,801 sh.
Pref. A cum. conv. red. Par $50.	$15,000,000	$14,868,700

*13,500 shares reserved against options to subscribe for stock of St. Lawrence Paper Mills Co. and 600,000 for conversion rights of class A preferred.

Funded Debt— None.

Dividend Record— Preferred—Entitled to 4 per cent per annum ($2), cumulative from April 1, 1930, payable Jan., April, July and Oct. 15. Initial dividend of 50c. per share paid July 15, 1930. Payment reduced to 2 per cent (25c. per quarter) with payment due April 15, 1931. Payment due July 15, 1931 deferred; none since.

Head Office—Montreal.

Officers and Directors— Officers—N. A. Timmins, chairman; A. K. Cameron, pres.; A. F. White, vice-pres.; A. M. Creighton, sec.-treas.; A. C. Davy, asst. sec.-treas.

Directors—N. A. Timmins, J. I. Rankin, Gordon W. Scott, A. K. Cameron, H. C. Flood, R. W. Steele, Arthur H. Campbell, Montreal; A. F. White, H. H. Horsfall, George R. Cottrelle, Toronto.

Profit and Loss Account Years Ended Dec. 31

	1934 $	1933 $
Adminis. charges	......	*88,951
Exps., July 1 to Dec. 31, 1933	......	3,521
Taxes	310	......
Sundry exps.	68	......
Int. on adv. from St. Law. Paper	7,718	......
	8,096	92,472
Assessments charged to subsid. cos.: St. Law. P. Mills, Brom. P. & P., L. St. John P.	......	88,951
Deficit for year	8,096	3,521
Add: Prev. deficit	3,521	......
Deficit carr. forward	11,617	3,521

*For corporation management to July 1, 1933.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Com.	1.90	.60	3½	1	5⅞	15
Pref.	8¾	3	11⅞	5½	12½	1

*To September 18.

Sets Industrial Pace

Pulp and paper is the most important manufacturing industry in Canada, heading the list of recent years for gross and net values of manufactured products, number of employees, and distribution of wages and salaries. Total capital invested in the industry is exceeded only by electric light and power plant.

CAPITAL WIRES

WIRE CLOTH FOR PULP AND PAPER MILLS

Sole Manufacturers of OUR PATENTED "RADIO" JOINT FOURDRINIER WIRES

TRI-SHAFT OR STANDARD WEAVE

DANDY ROLLS AND CYLINDER MOULDS REPAIRED AND RECOVERED

Originators of the "Radio" joint for all types of Fourdrinier Wires which has been used successfully in every wire manufactured by us since 1931.

Pacific Coast Representative W. S. HODGES, 414 Terminal Sales Bldg., Portland, Oregon.

THE CAPITAL WIRE CLOTH & MFG. COMPANY LIMITED

OTTAWA Established 1912 CANADA

Don Valley Paper Co. Limited

Toronto Ontario

Makers of Cover, Bristol, Index, Blottings, Tag and Folder and high class Specialties.

Specify Don Valley Brands

PLATE WORK · TANKS

Acetylene & Electric Welding

THE JOHN INGLIS CO. Limited

TORONTO - MONTREAL

St. Lawrence Paper Mills

More Business on Hand But Financial Position Shows Little Change

St. Lawrence Paper Mills' action late last year in contracting to supply newsprint to Hearst and Scripps-Howard at no advance in price during 1935 has not been as beneficial as anticipated. While the company was able to increase plant operations restriction of woods operations and higher cost for labor and materials, have largely offset the advantage of a larger tonnage.

Last year St. Lawrence Paper Mills produced better than 100,000 tons of newsprint, making for an operating ratio of about 72 per cent of rated capacity. This was better than experienced in 1933, and enabled the management to reduce operating losses to $366,981 as compared with $430,886 in 1933. Inasmuch as the Hearst and Scripps-Howard orders were not received until toward the end of the year, it is anticipated that the showing for 1935 will be better than was reported for last year.

Financial Position Weaker

Financially the company's balance sheet for 1934 does not indicate a very satisfactory position. Bank loans increased last year from a nominal figure of $3,625 to $624,246. Offsetting this is a new item among the assets of $686,871 owing by the St. Lawrence Sales Co.

Among liabilities are notes totalling $600,533 owing to Shawinigan Water and Power Co. Of this sum $50,000 is due at the beginning of next year and the balance on May 1, 1936. The company also owes $271,541 to Brompton, payment being due on July 20, 1936.

The auditors, in their statement, pointed out that the St. Lawrence Sales Co., a subsidiary company acting as selling agent, had losses of $4,224 in 1934.

ST. LAWRENCE PAPER MILLS (Controlled by St. Lawrence Corp.)

Capitalization—

	Authorized	Outstanding
Common N.p.v.	1,000,000 sh.	‡514,675 sh.
Pref. cum. red. Par $100.	$19,000,000	$14,225,600

‡Upon completion of exchange all these shares will be held by the parent company. As at Dec. 31, 1934, 502,326 shares, over 97½ per cent were so owned.

Funded Debt— None.

Dividend Record— Preferred—Entitled to 6 per cent per annum, cumulative from April 15, 1928, payable Jan., April, July and Oct. 15; paid regularly until April 15, 1931, when payment reduced to ¾ of 1 per cent; payment due July 15, 1931, deferred; none since.

Common—None paid.

Head Office—Montreal.

Officers and Directors— Officers—N. A. Timmins, pres.; A. K. Cameron, chm. of board; A. F. White, vice-pres. and man. dir.; A. M. Creighton, compt. and sec.-treas.; A. C. Davy, asst. sec.-treas.

Directors — N. A. Timmins, H. C. Flood, Arthur H. Campbell A. K. Cameron, J. I. Rankin, R. W. Steele, Montreal; A. F. White, Toronto, and P. H. Nitze.

Seven Years Earnings— Year Ended Dec. 31:

Year	Earnings $	Dividends $	Surplus $
1927‡	*1,143,592	200,000	770,000
1929†‡	*1,430,734	888,770	738,033
1930	*1,389,496	855,000	859,811
1931	427,452	106,875	640,134
1932	§286,671	......	§944,245
1933	§430,887	......	§1,659,357
1934	§366,981	......	§2,143,338

*After deduction of all manufacturing and other charges and expenses, including depletion and income tax, but before provision for depreciation.

†May 8, 1928 to June 30, 1929. From date of organization of present company. No statement is available for the period from June 30, 1927, to May 8, 1928. Statements given for previous years are of the predecessor company, St. Lawrence Paper Mills.

‡Year ended June 30.

§Loss or deficit.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Pref.	16½	8¼	26	10	25	2¾

*To Sept. 18.

St. Regis Paper

Canadian Subsidiary of U. S. Operator Limits Activities to Pulpwood

Operations of St. Regis Paper Co. of Canada continue to be of a very limited character. At one time the company engaged in fairly extensive pulpwood operations in Quebec, the pulpwood being shipped by water to the parent company's plants in New York state.

Several years ago a plan had been decided upon for the further expansion of the company's timber regions in Quebec. This plan was deferred and there is no prospect of it being actively carried out in the near future.

Control of the company rests with the St. Regis Paper Co. of New York, and there is a very limited Canadian interest in it both from the point of view of operations and finances.

Capitalization—

	Authorized	Outstanding
Common Par $5.	$500,000	$500,000

All owned by St. Regis Paper Co., New York.

Funded Debt— None.

Offices—60 East 42nd St., New York.

Officers and Directors— Officers—R. K. Ferguson, pres.; R. B. Maltby, vice-pres.; C. R. McMillen, vice-pres.; W. H. Versfelt, sec.; C. B. Martin, treas.

Directors—F. L. Carlisle, New York City; R. K. Ferguson, Great Neck, L.I. C. E. Norris, Irvington, N.Y.; H. E. Machold, Scarsdale, N.Y.; C. B. Martin; R. B. Maltby, Bronxville, N.Y.; W. K. Dick, New York City; C. R. McMillen, Orange, N.J.

Price Bros. and Co.

Allotment of Tonnage Promises Larger Operations in 1936 — Financial Rehabilitation Plans No Nearer of Solution

Operating position of Price Bros. & Co. is more hopeful at this time than it was a year ago. Through an arrangement with other newsprint manufacturers, the company has received a large volume of tonnage for delivery during 1936.

The greater agreement among manufacturers, as exemplified by the action in allotting tonnage to Price Bros., creates the hope that producers will be able to secure a better price for the newsprint paper in 1936. At the moment no official action has been taken to bring about a price increase, but it is expected that something will be done within the next six weeks.

Reorganization Delayed

Meanwhile the financial position of the company continues uncertain. Following the collapse of negotiations sponsored by a syndicate composed of Duke-Price Power Co., London Daily Express, Anglo-Newfoundland Development Co. and Bowater's Paper Mills, the latter put forward a scheme of its own. This plan provided for the assumption of the existing first mortgage bonds with interest in cash to commence from August 1, 1935, and arrears of interest amounting to $2.25 millions being capitalized by the issuance of additional first mortgage bonds.

Last month the bondholders' protective committee turned down this proposal. Consequently there is no "live" bid before the trustee for the bondholders' committee for a capital reorganization. There is a possibility, however, that another scheme of arrangement will be put forward before the year-end.

Obstacles in Way

There are a number of obstacles in the way of a financial rehabilitation of this company. The large resources of Price Bros., including several thousand square miles of valuable timber limits, two newsprint plants, water powers, sawmills, etc., have attracted outside interests. In the last two years several schemes have been brought forward but have been rejected because all interested parties would not agree to the terms offered.

The bondholders feel that their position is impregnable. There are less than $12 millions of first mortgage bonds against the property and the bondholders' protective committee have taken the stand that they will not approve of any scheme which does not provide in full for all the claims of the bondholders.

No Give and Take

The unsecured creditors, represented principally by Duke-Price Power Co., do not feel that they should make any concessions unless other creditors do likewise. Thus in any scheme put forward to date provision has been made for the payment of unsecured creditor claims in full. This has resulted in an interesting reaction by the bondholders, who have become more determined than ever to secure payment of their interest arrears in cash.

The preferred and common shareholders have been fighting to secure the best terms possible for themselves. In one case the preferred shareholders successfully blocked a plan of reorganization which had been approved by all the other interested parties.

May Foreclose on Property

It would now appear that the only way in which a reorganization of the company can be successfully accomplished will be to foreclose and put the property up for auction. In this way the sponsors of a reorganization can avoid the long drawn out negotiations with the junior creditors, who, up to date, have blocked reorganization plans. Meanwhile the company continues to be operated by a receiver and judged by the volume of business handled, earnings have not been much more than sufficient to cover operating expenses, taxes, etc.

Capitalization—

	Authorized	Outstanding
Common	$50,000,000	$42,683,000
Pref. 6½% cum. Par $100.	10,000,000	6,284,300

Funded Debt— 1st mtge. 6 per cent bonds, series A, due 1943, outstanding $11,061,000. Interest defaulted Aug. 1, 1932.

Dividend Record— Preferred—Entitled to 6½ per cent cumulative, payable Jan., Apr., July and Oct. 1; paid regularly from 1926 to Jan., 1932; none since.

Common—None at present; 2 per cent paid regularly from 1921 to Oct. 1, 1931; none since.

Officers and Directors— Officers—Major Andrew P. Holt, vice-pres.; G. B. Elwin, sec.

Directors—A. J. Brown, Sir William Stavert, V. M. Drury, W. P. Creagh, C. S. Richardson, G. Porteous, A. H. Lang, George T. Hardie, Montreal; Major A. P. Holt, Sir Ian Hamilton Benn, Sir Keith W. Price, London, Eng.

Bondholders' Protective Committee—R. H. McMaster, Montreal; Thomas Bradshaw, Toronto; Hon. J. H. Kelly, Quebec; James A. Eccles, Montreal; W. Eugene McGregor, Boston; and M. W. Dodge, New York; secretary, Sherman Damon, 469 St. John St., Montreal.

Preferred Stockholders' Protective Committee—R. H. Collis, London, Eng.; Col. George P. Murphy, Ottawa; Col. I. P. Rexford, H. J. Symington, Montreal; A. C. M. Thompson, Quebec City; Office: 244 St. James St. W., Montreal.

Common Stockholders' Protective Committee—E. R. Decary, A. Gowan, N. R. Macaulay, Hugh MacKay, W. C. Pitfield, Montreal; Robert Kernon, Quebec.

Earnings per Share and Dividend Record— (Latest available)

	*1932	†1932	1931
Pref.: Earned	nil	nil	$20.65
Paid	....	$6.50	6.50
Com.: Earned	nil	nil	2.18
Paid	....	1.25	2.00

*Seven months ended September 30.

†Year ended February 28.

Seven Years Earnings—(Latest available)

Year	Earnings $	Dividends $	Surplus $
1927	4,063,211	1,308,664	2,229,911
1928	4,079,573	1,308,664	2,604,055
1929	3,413,715	1,304,329	2,667,146
1930	3,332,798	1,293,402	2,725,174
1931	3,308,954	1,284,983	2,802,420
1932	*583,769	952,933	175,254
1932†	666,150	......	*254,385

*Loss or deficit.

†Seven months ended Sept. 30.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Common	3.87	1.50	6	.95	4⅝	1
Pref.	33⅝	15	37¼	7	13	4

*To September 19.

Donnacona

Steady Improvement Noted in Position — Higher Paper Price Would Help

Volume of business being handled by Donnacona Paper Co. is relatively satisfactory, largely due to the allotment of tonnage by other newsprint manufacturers. Officially Donnacona is considered one of the "short" companies. In other words the company's volume of business is below that for the industry as a whole and it has been found advisable by the "long" companies to allot additional tonnage to Donnacona and other short companies in order to maintain stable marketing conditions.

In many ways the position of Donnacona has shown greater improvement than the majority of other newsprint manufacturers. Last year earnings from all sources were approximately one-third greater than in 1933. Following the practice established in 1933, the company writes off all its earnings to depreciation and depletion of timber limits.

Many Offsetting Factors

The average price received by Donnacona for newsprint in 1934 declined from the previous year and the United States funds, which showed a considerable profit in 1933 resulted in a loss in 1934. These adverse factors as well as a general increase in the cost of raw materials and labor, were overcome by an increase in the volume of sales of newsprint amounting to 50 per cent over 1933, as well as an increase of 52 per cent in the amount of insulating board sold and an even greater expansion in the sulphite pulp disposed of during the past year.

Outlook Still Obscure

Conditions this year have been somewhat better, though it is not anticipated that there will be any material improvement in the company's earning power.

Since the reorganization of Donnacona Paper in 1932, the company's financial position has strengthened. The report for 1934 indicated a satisfactory working capital position.

Capitalization—

	Authorized	Outstanding
Class A	121,804 shs.	121,804 shs.
Class B	123,088 shs.	123,088 shs.

No par value.

Funded Debt— 1st mtge. 5½ per cent bonds, series A, due 1948*, outstanding $6,584,000.

*Interest liability up till Feb. 1, 1934, cancelled and for two years thereafter cumulative but payable out of income only. No interest has been paid to date. As at Dec. 31, 1934, cumulative interest amounted to $331,943.

Head Office—Quebec.

Officers and Directors— Officers — Robert P. Kernan, pres.; Hon. George Parent, vice-pres.; Louis W. Michael, sec.-treas.

Directors — Robert P. Kernan, Hon. George Parent, Sir George Garneau, Hon. W. Gerard Power, A. C. M. Thomson, Quebec; A. P. S. Glassco, Montreal; L. W. Michael, Donnacona, Que.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928	869,763	......	62,371
1929	829,861	......	65,275
1930	621,190	......	66,453
1931	434,879	......	nil
1932	275,474	......	6,036
1933	150,308	......	6,254
1934	206,522	......	6,740

*From all sources.

Market Record—

	*1935 High	Low
Class A	$4.50	$1.50
Class B	1.75	1.00

*To September 26.

Firstbrook Boxes

Earnings Maintained — Question of Bond Interest Resumption Under Discussion

Firstbrook Boxes Ltd. is enjoying satisfactory earnings in 1935. Last year the company's net earnings covered bond interest before depreciation but resulted in a substantial loss after the depreciation deduction. The company has gone more extensively into the field of paperboard containers with beneficial results.

Investment interest is chiefly in the $513,940 of first mortgage bonds upon which interest has been deferred until Dec. 15, 1935. Negotiations are in progress by which it is expected that the question of interest resumption will be solved to the satisfaction of bondholders.

The preferred stock was issued to creditors under a reorganization scheme adopted in 1932. control of the company is held by Robert Gair Co., Inc., through ownership of 72,165 common shares. Firstbrook Boxes has sole Canadian rights to Gair designs and patents. The main plant is at Mount Dennis, Ont.

Capitalization—

	Authorized	Outstanding
Common N.p.v.	100,000 shs.	100,000 shs.
Pref. non-cum. Par $100.	$200,000	$130,900

Funded Debt— 1st mortgage 6 per cent bonds, due 1948, outstanding $513,940. Accrued interest as at Dec. 31, 1934, amounted to $62,958. Payment of interest deferred at the company's option until Dec. 15, 1935.

Dividend Record— None paid on new stock. On old stock, preferred paid regularly to Dec. 15, 1930, none since; none paid on common.

Head Office—Mount Dennis, Ont.

Officers and Directors— Officers—G. W. Brown, pres.; C. Q. Parker, vice-pres.; C. E. Whitten, sec.-treas.

Directors—G. W. Brown, C. Q. Parker, G. M. Willoughby, J. W. Pickup, all of Toronto; F. L. Whitaker, Waterloo.

Times Bond Interest Earned:‡

	1934	1933	1932
Before deprec.	1.07	....	3.45
After deprec.	...	....	1.77

*Deficit.

‡After bad debts reserve.

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929*	100,807	11,772	31,500
1930	170,166	34,940	40,528
1931	102,255	34,762	28,545
1933†	1,345	......	‡64,863
1934	38,989	......	‡87,618

*For 7 months ended Jan. 5.

†For 13 months period from Nov. 24, 1932, date of incorporation of new company, to Dec. 31, 1933.

‡Deficit.

Port Royal Pulp

Operations of Port Royal Pulp and Paper Co., of Fairville, N.B., have been on a satisfactory scale since the beginning of the year. Last year the company found it necessary to raise additional capital. An arrangement was made between the company, the Saint John Municipal Council and the province of New Brunswick, whereby finances were arranged so that the plant could be kept operating at least eleven months of the calendar year between 1934 and 1937. The agreement further stipulated that at least 200 men would be employed. Under this arrangement the company made a $200,000 issue of four-year mortgage bonds, of which $120,000 were taken up by the Bank of Nova Scotia and the balance by private interests. The bank is protected by guarantees of $60,000 by the Province and Saint John Municipal Council.

PRICE BROTHERS & COMPANY, LIMITED

A company whose wood supply, hydro-power resources and operating management render it capable of timber, pulpwood, and newsprint production in competition with the world.

HEAD OFFICE — QUEBEC, P.Q.

Mills at

Riverbend - Kenogami - Jonquiere

Ontario Paper

Ontario Paper Co.'s Thorold newsprint mill has been one of the few Canadian plants to maintain operations at capacity in late years. This has been due primarily to the company's connection with the Chicago Tribune. The latter absorbs the greater part of the company's output which amounts to practically 100,000 tons of newsprint annually.

As control of Ontario Paper lies with interests associated with the Chicago Tribune, this company has not had to face the problems common to other manufacturers in the industry. Production has been maintained at a stable rate from month to month and marketing naturally does not play such an important part in the company's policies, as in the case of other companies whose distribution is on a much wider scale.

Ontario Paper has had in mind for some time the expansion of its operations, but plans have been held up by the unsatisfactory state of the pulp and paper industry. Some time ago the company started a development programme on the Outardes River in Quebec, where a power plant of 40,000 h.p. capacity has been established. It is proposed to use this power for a new mill at English Bay, about 25 miles from the power plant site. Here when conditions allow the completion of the development, it is proposed to erect a modern plant capable of turning out 300 tons of sulphite and groundwood pulp per day. This output will be shipped by the company's own boats to Thorold for further processing into newsprint.

DONNACONA PAPER COMPANY LIMITED

SITUATED on tide-water at the junction of the Jacques Cartier and St. Lawrence Rivers, Donnacona Paper Company is in an advantageous position both as to accessible wood supplies and the transportation of raw materials and the finished products.

DONNACONA NEWSPRINT enjoys wide consumer acceptance for its high quality — the product of plant efficiency.

DONNACONA INSULATING BOARD — manufactured in a thoroughly modern mill — is meeting increasing demand in the markets of the world.

The company's executive is alert to improving business trends and to the sound management of the company's resources.

TIMBER RESERVES — Approximately 4,250,000 standing cords of pulpwood.

NEWSPRINT CAPACITY — 230 tons daily.

SULPHITE PULP — Annual capacity 30,000 tons.

GROUNDWOOD PULP — Annual capacity 75,000 tons.

INSULATING BOARD — Annual capacity 45,000,000 sq. ft. standard half inch board.

OFFICERS

ROBERT P. KERNAN, *President*

HON. GEORGE PARENT, K.C., *Vice-President*

LOUIS W. MICHAEL, *Secretary-Treasurer*

DIRECTORS: Robert P. Kernan, Hon. George Parent, K.C., Sir George Garneau, Hon. W. Gerard Power, A. C. M. Thomson, K.C., Louis W. Michael, Quebec; A. P. S. Glassco, Montreal.

Head Office:—65 St. Anne St.—Quebec

Mills—DONNACONA, Que.

Fraser Cos.

Earnings and Finances Record Betterment Since Reorganization in 1932 — Returns for 1935 Higher Than Last Year

Fraser Companies report an improvement in earnings and working capital for the six months ended June 30 last. Net profit amounted to $300,232 after deducting all bank and bond interest paid and accrued. This represents an improvement of about $52,000 over the corresponding period a year ago. Under the plan of reorganization, bond interest is deferred and becomes payable over five years from July 1, 1940.

While improvement in operating results and working capital has continued, the president of the company, K. S. Maclachlan, states that the volume remains unsatisfactory and prevents more substantial improvement. Emphasizing the company's need for more working capital, he points out that bondholders may take common shares in lieu of bond interest. The exchange, he says, would strengthen efforts to rehabilitate the company by keeping fixed charges low in coming years.

Fraser Companies and its subsidiary, Restigouche Co., represent one of the largest pulp and paper and lumber enterprises in the Maritime Provinces. Operations are centred at Edmundston, Athol, Restigouche and other points in New Brunswick, while a paper plant is operated at Madawaska, Me.

Reorganization Has Helped

In 1932 the company experienced financial difficulties partly owing to an accumulation of lumber inventories. In addition the company had gone ahead on an extensive pulp mill scheme. With the collapse of the financial market at the time, the company was unable to finance this venture so in 1932 it was found necessary to carry out a financial reorganization.

Since that time there has been a marked improvement in earnings and finances. The market for lumber registered a marked improvement in 1933-34, while sales of pulp (which the company sells for further processing into artificial silk) have been steadily increasing.

Capitalization—

	Authorized	Outstanding
Common .... N.p.v.	500,000 shs.	161,890 shs.

Funded Debt—

First mortgage S. F. bonds, 6 per cent, due 1950, outstanding $9,663,471.

Interest payments for first two years (from Jan. 1, 1932 to Jan. 1, 1934) suspended, being payable in 5 equal installments commencing July 1, 1937. Bondholders had option of applying, before Sept. 1, 1934, for 5 shares of common stock for each $1,000 bond in lieu of interest due July 1, 1934 and Jan 1, 1935, which could not be paid. As at Dec. 31, 1934, 10,570 shares had been issued to bondholders. Balance of bondholders to receive interest in 5 annual installments commencing July 1, 1939. As the July 1, 1935, interest payment was not made, the same option applies, bondholders having to apply for shares before Sept. 1, 1935, or receive interest installments commencing July 1, 1940. Interest on all overdue interest payable at 6% per annum. Company has the right to anticipate payment of the whole or any part of the suspended or deferred interest at any time upon 30 days' notice.

Dividend Record—

None at present. 25c. paid quarterly April 1, 1928, to Oct., 1929, on old stock; none since.

Head Office—Plaster Rock, N.B.

Officers and Directors—

Officers—K. S. Maclachlan, pres. and gen. mgr.; Donald Fraser, vice-pres.; T. A. Hendry, vice-pres. i/c sales; L. M. Sherwood, vice-pres. i/c finance, treas. and sec.; W. Matheson, vice-pres. i/c properties, Edmundston, N.B.; A. W. Brebner, vice-pres. i/c subsidiaries, Campbellton, N.B.; H. H. Henderson, asst. treas.; H. C. Noseworthy, asst. sec.

Directors—K. S. Maclachlan, Harold Crabtree, A. H. Campbell, A. M. Irvine, Hon. C. A. Dunning, Montreal; Donald Fraser, Plaster Rock, N.B.; Lt.-Col. R. F. Massie, E. G. Long, Toronto; F. C. Beatteay, Saint John, N.B.; R. B. Hanson, Fredericton, N.B.

Executive Committee — Harold Crabtree, chm.; Lt.-Col. R. F. Massie, A. M. Irvine and K. S. Maclachlan.

Voting Trustees—J. A. Ewing, I. W. Killam, Montreal; Lt.-Col. R. F. Massie, John Appleton, Toronto; H. P. Robinson, Saint John, N.B. Bondholders: Hon. Gordon W. Scott, Harold Crabtree, Arthur Jones, Montreal; Hamilton Cassells, Toronto; S. Kilpatrick, London, Eng.

Times Bond Interest Earned:*

	1934	1933	1932
Restigouche Co. 6% mtge. bonds:			
Before deprec. ..	3.87	2.43	nil
After deprec. ...	1.55	0.72	nil
Fraser Cos. 6% bonds:			
Before deprec. ..	1.67	0.84	nil
After deprec. ...	0.32	nil	nil

*Including accrued interest on deferred bond interest. Colculated after bank interest deducted.

Seven Years Earnings—

Year	‡Earnings $	Dividends $	Surplus $
1928	1,765,154	371,179	1,599,710
1929	*1,419,961	391,048	937,901
1930	*278,289	......	†3,281,570
1931	*1,382,341	......	†5,467,374
1932	*111,477	......	§
1933	*1,115,541	......	†615,449
1934	*1,576,227	......	†987,291

*Includes Restigouche Co.
†Deficit.
‡After operating expenses, provision for bad debts, taxes, etc.; directors' fees ($5,120 in 1934) included in operating expenses.
§Operating deficit for 1932 eliminated by reorganization. Surplus arising as result of reorganization amounted to $2,500,000 after deducting loss for 1932.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Common	5	2½	12½	3	3	2¼
V. T. Cert.	5	1¾	9	2	..	...

*To September 18.

Fraser Paper
(Owned by Fraser Companies)

Funded Debt—

The company is authorized to issue $4,000,000 of 6 per cent first mortgage bonds, of which $2,500,000 have been issued and are pledged as part security for parent company's bonds. An issue of $7,500,000, 6 per cent general mortgage bonds is also pledged as security for parent company's bonds.

Restigouche

Restigouche Co., subsidiary of Fraser Companies, has been able to record considerable improvement in its position since the reorganization of 1932. Net working capital has increased from $66,998 to $714,361 at the end of last year. At the same time net earnings available for depreciation and interest advanced from $138,270 in 1932 to $637,256 in 1934.

Under the plan of reorganization interest payments on the company's funded debt were suspended in February, 1932 to February, 1934, but will be payable in five annual installments August 1, 1937, with interest on the overdue interest at the rate of 6 per cent per annum.

Pay Interest on Bonds

Interest payments were resumed on August 1, 1934, covering interest accrued during February, 1934 and subsequent months. Interest due February 1, 1934, was paid, as also was that due on August 1 last.

During the past eighteen months the Restigouche pulp mill has been operating at capacity. Demand for sulphite pulp for further manufacture into artificial silk has held up, and the price fetched for this type of pulp has enabled Restigouche Co. to make a particularly good showing.

Restigouche Company
(Owned by Fraser Companies)

Capitalization—

	Authorized	Outstanding
Common .... N.p.v.	250,000 shs.	250,000 shs.

All owned by the parent company.

Funded Debt—

Prior lien bonds, 6 per cent due 1942, authorized $500,000; none issued.

Mortgage S.F. bonds, 6 per cent, due 1948. Authorized and issued, $4,846,000; to which is added deferred interest from Feb. 1, 1932, to Dec. 31, 1934, $581,520, plus accrued interest on the deferred interest, $58,822, making a total of $5,487,342 outstanding as at Dec. 31, 1934.

Interest payments for first two years (from Feb. 1, 1932, to Feb. 1, 1934) have been suspended, being payable in 5 equal installments commencing Aug. 1, 1937; interest payments resumed Aug. 1, 1934, covering interest accrued during Feb., 1934, and subsequent months; interest due Feb. 1, 1935, paid; if interest for the third and fourth years had been suspended interest was payable in 5 annual installments commencing Aug. 1, 1939, or Aug. 1, 1940, respectively, bondholders having the right before Oct. 1, 1934 or 1935, respectively, to accept common stock of Fraser Companies Ltd. in lieu of the one year's interest on the basis of 5 shares for each $1,000 of bonds held; interest on all overdue interest payable at 6% per annum. Company has the right to anticipate payment of the whole or any part of the suspended or deferred interest at any time upon 30 days' notice.

Head Office—Athol, N.B.

Officers and Directors—

Officers—K. S. Maclachlan, pres.; A. W. Brebner, vice-pres. and gen. mgr.; T. A. Hendry, vice-pres. i/c sales; L. M. Sherwood, sec. and treas.; H. H. Henderson, asst. treas.; H. C. Noseworthy, asst. sec.

Directors—K. S. Maclachlan, Harold Crabtree, A. H. Campbell, A. M. Irvine, Hon. C. A. Dunning, Montreal; Donald Fraser, Plaster Rock, N.B.; A. W. Brebner, Campbellton, N.B.; Lt.-Col. R. F. Massie, E. G. Long, Toronto; F. C. Beatteay, Saint John, N.B.; R. B. Hanson, Fredericton, N.B.

Times Bond Interest Earned:†

	1934	1933	1932
Before depr. & depl.	1.92	1.03	0.26
After depr. & depl.	1.00	0.64	nil

†Including accrued interest on deferred interest. Calculated after bank interest deducted.

Four Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	*104,482	......	†2,015,417
1932	*138,270	......	†2,933,122
1933	*359,508	......	†3,044,566
1934	*637,256	......	†2,735,328

*After expenses, taxes, provision for bad debts and directors' remuneration ($440 in 1934.
†Deficit.

European Importers Sway "Spot" Market

Growing importance of European newsprint in the American spot market is reflected in the import figures released by the United States Department of Trade and Commerce. Last year Canada increased its shipments to the United States by 27 per cent, while Newfoundland exports gained over 12 per cent. Imports from Europe declined by 4 per cent. This condition has undergone a marked change since the beginning of 1935.

For the first seven months of the current year Canadian shipments to the United States increased by less than 2 per cent; Newfoundland imports were practically unchanged, but European sales were up nearly 30 per cent. The change in relationship is better illustrated by examining the actual change in volume. For the seven-month period imports were about 37,000 tons greater than a year ago. Of this total, Europe accounted for 20,000 tons and Canada the balance.

Pacific Mills

Outstanding Mortgage Bonds Called Last August — Profits Larger 1935 Fiscal Year

Net profits of $210,454 for the fiscal year ended April 30, 1935, were reported by Pacific Mills Ltd., British Columbia newsprint manufacturer, controlled by Crown Zellerbach. This is in contrast to $182,808 for the preceding year. In both cases figures quoted are after all charges for depreciation, depletion, bond interest and income tax.

In the financial statement mailed to the shareholders in mid-year, the shareholders were advised by the president that the company has elected to redeem all of the outstanding first mortgage 6 per cent serial gold bonds on next interest date, August 1, 1935. During the 1934 fiscal year the company redeemed $200,000 of these bonds, so that the amount called in last month was $1,124,550.

The principal operations of Pacific Mills are carried on at Ocean Falls, B.C., while the paper specialty plant is operated at Vancouver.

There is little public investment interest in the enterprise, practically all of the outstanding preferred and common stock being held by the parent organization.

Capitalization—

	Authorized	Outstanding
Pref. 6%	$2,000,000	$1,994,100
Common	7,500,000	7,500,000
Par $100.		

Officers—

L. Bloch, chm.; A. B. Martin, pres.; A. J. Lewthwaite, F. N. Youngman, vice-pres.; C. L. Barker, treas.; J. H. Lawson, sec.

Earnings—

For the year ended Apr. 30, 1935, net profit after all charges, including depreciation and depletion, bond interest and taxes, was $210,454. This compares with $182,808 in the previous fiscal year.

Paying Their Way

Majority of Pulp and Paper Companies Report Moderate Improvement in Working Capital

Judged by working capital the majority of Canadian pulp and paper companies were able to record a small improvement in their position during the past year. The gains, in most cases, were negligible, but the trend is more encouraging than it has been in recent years when some very substantial reductions in working capital have been reported.

The most notable change in working capital last year was recorded by Canadian International Paper. Unable to meet bond interest out of earnings, it was necessary for the company to dip into surplus with the result that net working capital declined by around $2.5 millions. Building Products, Dryden, and Rolland Paper also reported a decline, but the decrease in each case was negligible and had no effect on the company's liquid position.

Majority Move Ahead

Returns for 19 companies show that 15 were able to improve their position. In the case of Abitibi, Consolidated Paper and Mersey Paper the excess of current liabilities was reduced from about $136,000 for Abitibi to over $700,000 for Consolidated

The other newsprint, fine paper, and boxboard manufacturing companies registered small gains.

Expect Further Gains

Prospects are that during the current year practically all of the companies will be able to report further improvement in their working capital. The newsprint companies have been experiencing a better volume of business. While the price of newsprint continues unsatisfactory, operating economies put into force in the last three or four years should enable the manufacturers to show black figures in their income statements. With an advance of price in 1936, it would not take long for the operators to build up working capital to more adequate proportions.

In the other divisions of the industry, the fine paper and boxboard and specialty companies are in a stronger position than they have been for some time. They have not suffered so severely as the newsprint manufacturers, and the recovery in domestic business since the beginning of 1934 has enabled them to add to their liquid resources.

Only Three With Deficits

The working capital position of the principal pulp and paper operators at the end of 1933 and 1934 is shown hereunder. Where a company's report is based on a fiscal year and not the calendar year, the returns have been made to correspond to the closest calendar year.

	1934 $	1933 $
Abitibi	†243,931	†379,098
B. C. Pulp	1,147,208	818,038
Bathurst	2,150,839	1,894,212
Brompton	1,518,971	1,439,806
Building Products	1,830,236	1,841,002
Can. Inter. Paper	7,006,510	9,532,673
Consolidated	†6,605,303	†7,313,021
Corrugated Paper	258,370	175,890
Donnacona	705,618	543,603
Dryden	555,342	567,149
Fraser Cos.	1,078,656	89,067
Great Lakes	1,140,070	1,074,478
Hinde & Dauch	888,600	587,385
Lake St. John	973,964	458,224
Mersey Paper	†2,938,714	†3,203,490
Provincial Paper	2,199,676	2,140,552
Rolland Paper	1,020,934	1,073,888
St. Lawrence Paper ...	722,690	563,098
Howard Smith	2,127,373	1,893,063

(Note: Fiscal year figures used to correspond with calendar year figures).
†Excess of current liabilities over current assets.

Mersey Paper

Nova Scotia Operator Keeps Plant Fully Employed — Low Newsprint Price Reflected in Financial Returns

Lower selling price for newsprint paper resulted in a decline in earning power of Mersey Paper Co. during the past year. Gross profits at $652,503 compared with $881,025 in 1934. After taking care of funded debt charges, there was a balance of $255,000, which was transferred to depreciation and depletion reserves. This was about $225,000 less than was appropriated for depreciation in the previous year.

Mersey Paper is one of the few companies in Canada that has been able to maintain newsprint plant operations at capacity in the last three years. From the point of view of operations, the position of the company is very satisfactory, but the low price for newsprint makes for limited earnings. Mersey Paper, however, has been able to meet all its charges since its establishment in the latter part of 1928. Interest on bonds and bank loans have been regularly met, while a fair amount has been set aside for depreciation.

Carry Bank Loans

At the end of last year the company's balance sheet showed an excess of current liabilities over current assets amounting to $2.9 millions. This is a slight improvement over that reported for 1933. The adverse working capital reflects bank loans incurred by the company in order to complete the enterprise.

If and when the price of newsprint advances, Mersey Paper is in a good position to benefit. Due to its location on tidewater, low cost power and favorable wood supply, the company is one of the lowest-cost producers on the continent.

Capitalization—

	Authorized	Outstanding
Common ...... N.p.v.	150,000 shs.	150,000 shs.
Pref. cum. red. .. Par $100.	$5,000,000	$5,000,000

Funded Debt—

1st mtge. 6 per cent S. F. bonds, due 1954, authorized $10,000,000. $4,761,000 outstanding and deposited with bank as collateral security for loan of $2,760,000.

General mtge. bonds, series A, 6 per cent, due 1949, outstanding $1,899,500

Dividend Record—

Preferred—Entitled to 6½ per cent per annum, cumulative from July 1, 1930; payable quarterly, Jan., Apr., July and Oct. 1. None paid to date.

Common—None paid to date.

Head Office—Brooklyn (Queen's Co.), N.S.

Officers and Directors—

Officers—Col. C. H. L. Jones, pres. & gen. mgr.; J. McG. Stewart, vice-pres.; T. M. Ratchford, sec. and treas.

Directors—Col. C. H. L. Jones, J. McG. Stewart, Col. J. L. Miller, P. R. Jack, J. C. MacKeen, Halifax, N.S.

Times All Interest Earned:

	1934	1933	1932
Before deprec.	1.64	2.18	1.92
After deprec.	1.00	1.00	1.00

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	852,922	......	172,702
1931	1,093,573	......	506,166
1932	799,963	......	......
1933	881,025	......	......
1934	652,503	......	......

Spruce Falls P. & P. Co.

Bond Interest Not Yet Covered After Depreciation — Concern Steadily Reducing Funded Debt — Sells to New York Times

Although Spruce Falls Power & Paper Co. shipped 28.3 per cent more in the year ended April 30, 1935, than in the preceding year, recovery did not proceed to the point where bond interest and depreciation were taken care of.

As the product mainly goes to the United States the position naturally will improve when there is stability of exchange and when the improving advertising demand gets high enough to permit the issue of larger newspaper editions in the chief cities of the United States.

There have been no earnings available for preferred stocks since 1933.

The company's mill has a daily capacity of 550 tons of newsprint, 440 ground wood pulp and 230 tons sulphite pulp. The Kimberly-Clark Co. purchases the entire surplus output of sulphite and the New York Times has likewise contracted to purchase from the company its standard newspaper requirements. This last contract usually equals about 50 per cent of the mill capacity. The New York Times is a minority shareholder of the company.

The site of the company's plant is Kapuskasing, Ont., on the transcontinental line of the Canadian National Railways. It has a 50-mile standard gauge railroad and 50 miles of power transmission line completed in 1927.

In recent years bank advances have been increasing by about half a million dollars yearly, but funded debt has been decreased each year by $1,000,000 ever since 1930.

Depreciation and depletion reserve have also been increased by about $1,000,000 in each year since 1928. This has not been entirely from earnings. Capital surplus since 1932 has dropped from 10.5 to $10 millions. Working capital is only $165,144 as compared with $1.5 millions in 1932.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	200,000 shs.	200,000 shs.
1st pref. cum. 7%	$9,500,000	$8,900,000
2nd pref. cum. 7% Par $100.	5,500,000	5,000,100

Kimberley-Clark Corpn holds $2,500,000 first preferred; $5,000,100 second preferred, and 102,000 common shares, the balance being held by the New York Times Company.

Funded Debt—

1st mtge. serial bonds, 5½ per cent, due 1930-43, outstanding $10,000,000.

Dividend Record—

Dividends paid regularly to Oct. 1, 1932, on both classes of preferred; none paid since. Both stocks in arrears, as at Apr. 30, 1935, to the extent of $17.50 per share.

Head Office—Toronto.

Officers and Directors—

Officers — F. J. Sensenbrenner, pres.; J. C. Kimberly, vice-pres.; E. S. Noble, gen. mgr.; G. Barber, treas.; E. Mahler, sec.

Directors — Representing Kimberly-Clark Corp—F. J. Sensenbrenner, J. C. Kimberly, E. Mahler, Neenah, Wis.; G. Barber, Toronto. Representing the New York Times—G. M. Melson, A. H. Sulzberger and J. O. Adler, all of New York City.

Times Bond Interest Earned—

Yr. end. Apr. 30:	1935	1934	1933
After depr. & depl.	0.60	0.38	1.10

Earnings per Share and Dividend Record—

First pref.: Earned	nil	nil	$0.36
Paid	nil	nil	3.50
Second pref. Earn.	nil	nil	nil
Paid	nil	nil	3.50
Common: Earned .	nil	nil	nil
None paid.			

Seven Years Earnings—

Year	Earnings $	Dividends $	Operating Surplus $
1929	1,175,483	471,445	6,681
1930	2,229,525	973,007	292,271
1931	1,861,021	973,007	72,866
1932	2,049,756	973,007	206,121
1933	763,375	486,504	4,718
1934	241,989	......	†414,305
1935	354,774	......	†669,354

†Deficit.

Advertising Linage Gains

Advertising in 52 major U. S. cities showed a gain of 28.5 million agate lines, or 4.2 per cent during the first seven months of 1935 as compared with the same period of 1934.

Provincial Paper

Leading Manufacturer of Fine Papers Maintains Strong Financial Position — Improvement Begun in 1934 is Continuing in 1935

Provincial Paper large manufacturer and distributor of high-grade book bonded, coated and writing papers throughout Canada, reports some increase in business as having occurred in 1935. This is encouraging, as in 1934 the company had earned $10.22 a share on its preferred stock as compared with $7.15 in 1933, and $1.13 a share on the common stock, as compared with five cents a share in the preceding year.

Manufacture takes place in two plants at Georgetown and one each at Thorold, Milles Roches and Port Arthur. The company has a strong working capital position and a record of stable earnings for many years.

Provincial Paper
(Controlled by Abitibi Power & Paper Co.)

Capitalization—

	Authorized	Outstanding
Common* ...... N.p.v.	100,000 shs.	100,000 shs.
Preferred 7% .. Par $100.	$3,500,000	$3,500,000

*Entire issue held by Abitibi Power & Paper Co.

Funded Debt—

1st mtge. bonds, series A, 5½ per cent, due 1947, outstanding †$3,849,500.

†In addition, $25,500 have been purchased by the company and are held in the treasury.

Dividend Record—

Preferred—7 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial payment July 1, 1927, and quarterly since.

Common—$1.25 paid in 1930; $1 paid Jan., 1932; none since.

Head Office—Toronto.

Officers and Directors—

Officers—S. F. Duncan, pres.; T. A. Weldon, vice-pres.; W. S. Barber, sec. and treas.

Directors—S. F. Duncan, T. A. Weldon, G. T. Clarkson, L. R. Wilson, A. F. White, E. R. Wood, W. H. Smith, G. Challes, T. Broadhurst, all of Toronto.

Times Interest Earned—

	1934	1933	1932
Before deprec.	3.26	2.52	2.57
After deprec.	2.79	2.08	2.15

Earnings per Share and Div. Record—

	1934	1933	1932
Pref.: Earned ...	$10.22	$7.15	$7.87
Paid	7.00	7.00	7.00
Common: Earned	1.15	0.05	0.30
Paid	nil	nil	1.00

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	1,140,230	245,000	186,775
1929	1,136,088	245,000	526,243
1930	995,747	370,000	672,431
1931	782,784	245,000	752,370
1932	614,678	345,000	682,934
1933	590,864	245,000	688,097
1934	694,614	245,000	814,876

Paper Consumption in U. S.

Per capita paper consumption in the United States, the world's largest market, amounted to 173 lb. in 1933. This represented a gain of 19 lb. over that reported the previous year, but is the lowest reported since 1925.

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ROLLAND
PAPER CO. LIMITED . . . MONTREAL, QUE.

Mills at St. Jerome, Que., and Mont Rolland, Que.

Great Lakes Paper Bondholders Told Gefaell-Aldrich Offer Best

Tonnage Contracts of Vital Importance in Sale Price, View of Bondholders' Committee

Bondholders of Great Lakes Paper Co. are to meet again at Toronto, Oct. 4 to consider four offers to purchase the mortgaged property which has been in receivership of National Trust Co. since 1931.

At the meeting on Sept. 20, $4,414,000 of bonds were represented. A quorum of half the outstanding $10,000,000 of bonds is necessary to approve sale of the properties. It is expected that there will be no difficulty in getting representation of $5,000,000 of bonds at the meeting on Oct. 4.

Offers to buy the property presented at the Sept. 20 meeting came from the following:

1. Canadian International Paper Co.
2. Dominion Bank with Continental Illinois National Bank & Trust Co.
3. John E. Gefaell and Lynn E. Aldrich.
4. R. O. Sweezey & Co.

Who Bidders Are

Canadian International Paper Co. is an interested bidder because of the profitable nature of Great Lakes Paper Co. even under the depressed price for newsprint.

The bankers' bid represents partly the interest of The Dominion Bank as one of the principal creditors, and inclusion of the Chicago bank is believed to signify representation of the Hearst chain of American newspapers.

Messrs. Gefaell and Aldrich represent a group of mid-west American newspapers headed by the Chicago Daily News.

The Sweezey bid comes from a financial group who have been interested in rehabilitation of the newsprint industry.

Favors Gefaell-Aldrich

Rt. Hon. Arthur Meighen, chairman of the bondholders' protective committee, emphasized the company's need for increased tonnage, in addressing the meeting. The company has been operating on one third or less of its annual capacity 100,000 tons of newsprint since 1931.

Speaking for the bondholders' committee, Mr. Meighen stated, in part:

"The Gefaell and Aldrich tender . . . we think is the best of the four offers.

"Your committee considered that the tonnage was overwhelmingly of primary importance . . . We do not look upon any offer which does not provide tonnage as of itself desirable, because we are likely to land . . . . where we were before, and we would still be searching for tonnage."

Analyzes Offers

Mr. Meighen's analyses of the individual offers to bondholders were, in part, as follows:

"The feature as to the Sweezey offer that strikes us as missing, being put in without stating tonnage, is that it amounts to an option rather than to a sale."

"The Dominion Bank and Continental Illinois National Bank tender . . . . is too much for creditors and too little for the bondholders. . . . There is a feature which was left out . . . Before anything can be paid to bondholders, depreciation has to come off (off the rent).

"The offer of Canadian International Paper Co. . . . . pays you $250,000 out of earnings . . . after depreciation . . . But the $250,000 (sinking fund on B bonds) has to be earned after the first $250,000; and that is $500,000; and that has to be earned after all depreciation . . . out of 75 per cent operation, which, in my judgment, would make it difficult.

Sees Five Per Cent

"With the Gefaell offer we have first the tonnage . . . With the $300,000 which you get on your first mortgage bonds, this $2 per share on the 100,000 class A preference shares would give you five per cent on your $10 millions . . . I do not think it would be possible to show that you will, under the other offers, get as much as five per cent; you will get substantially less."

Offerers' Views

Each offer was outlined by a representative of the would-be purchaser. Their comments are summarized in the following paragraphs.

On behalf of the offer of Canadian International Paper Co., W. N. Hurlbut stated: "If we, the Canadian International Paper Co., acquire this property, we contemplate it will only be on a basis as to the rate of operation and other essential conditions such as will assure a continuance of the records of this company and its affiliates, as being the only one of the six largest newsprint groups with no default on its obligations."

Banks' Case

Hon. N. W. Rowell spoke on behalf of the offer of banks, as follows: "The offer of The Dominion Bank and Continental Illinois National Bank & Trust Co. is based on this view, that this property can only be profitable to the existing bondholders or to any purchaser if it is operated to a much larger capacity than 50,000 tons . . . The effect of this undertaking . . . would be that instead of the mill operating at half capacity, it would operate at full capacity of 100,000 tons, with consequent benefits to the bondholders, preferred stockholders and common shareholders."

Gefaell Offer

A. J. Thomson, K.C., presented the Gefaell-Aldrich offer, in part, as follows:

"The publishers I represent are a group of 20 to 25 publishers . . . without exception, in the geographical field naturally served by Great Lakes Paper Co. . . . The bondholders will still have entire control of this company . . . The publishers get a leasehold interest for a term of years."

Tonnage Avoided

On behalf of the offer of R. O. Sweezey & Co., Hugh B. Griffith remarked:

"The offer we have made to you . . . does not include any guarantee as to tonnage . . . Our experience is that attempts on the part of any individual producer to operate its mill at a higher rate than the industry itself would consume, or at a higher rate than the economic condition of his own property would provide, has not benefitted the operator at all but has held down the whole price structure. I think it would be of very great benefit to the industry at large if this property were dealt with in such a manner that the production structure shall not be disturbed."

Add Consultants

The meeting was adjourned following Mr. Meighen's remarks. An invitation was extended to bondholders to name additional representatives to confer with the present committee. Mr. Meighen explained that Messrs. Mathieson and Fraugh had resigned from the committee about a year ago. Mr. Lang has been in western Canada. Consequently, the bondholders unanimously approved appointment of Hon. W. D. Ross, Arthur S. King, A. H. Smith and R. C. Finlay as a committee to confer with the bondholders' committee.

Particulars of income, personnel and corporate structure of Great Lakes Paper Co. are summarized on this page.

Summaries of the four bids presented to the bondholders' meeting are given below:

1. C. I. P. Offer

Canadian International Paper Co. proposes to form a new company to buy assets of Great Lakes Paper Co. issuing in return these securities:

$5,000,000 of five per cent series A bonds, secured by first mortgage on properties of Great Lakes Paper Co. now subject to a specific mortgage and by a floating charge on remaining assets. Dated Jan. 1, 1936, proposed bonds would mature in 1971, would be redeemable at 100 and would carry a one per cent sinking fund from Jan. 1, 1937.

$5,000,000 of series B first mortgage bonds, junior to series A, and not carrying interest. Same dates as series A and redeemable at 100. As long as $2,500,000 of this series is outstanding, holders would have right to elect 3/7 of directorate. Sinking fund of $250,000 annually to start May 1, 1937, payable only to extent earned.

Offerer covenants that the new company shall have $500,000 working capital from issue of common stock and that it will have total orders of at least 75,000 tons per annum of newsprint for three years. Offer good until Jan. 1, 1936.

2. Banks' Offer

The Dominion Bank and Continental Illinois National Bank & Trust Co. offer to create a new company to acquire Great Lakes Paper Co. giving for same the following bonds and shares of such new company:

$5,000,000, 5 per cent 20-year general mortgage bonds to be retired as stated. This issue subject to $1,000,000, 5 per cent 10-year prior lien bonds to be used to assure sufficient working capital for full capacity operation.

50,000 shares of no par value, non-voting preference stock with dividends of $2 per share per annum, cumulative from Jan. 1, 1937, retireable by purchase or redemption at $100 per share.

50,000 shares class A, no par value, non-voting common stock retireable by purchase or redemption at $20 per share for two years, thereafter at a price increased by $5 per share per year to a maximum of $60 per share.

The authorized capital to include 100,000 shares class B common stock voting and non-retireable, otherwise the same in all respects as class A common stock.

The offer mentions negotiations which the offerers have had looking to the lease of the fixed assets of the company to a responsible lessee, having an assured market for the output, on terms substantially as follows:

Lease to be for 10 to 15 years, commencing Jan. 1, 1936; the net rental for the first year of operation to be a minimum of $250,000 and a maximum of $500,000, and at the minimum rate of $500,000 per annum thereafter after payment of taxes, insurance, Crown dues, maintenance and similar items, and to be paid in U.S. funds. Rental for the first year is to graduate downwards from $500,000 at the rate of $5 per ton of production under the productive capacity figure of 100,000 tons, but with a minimum of $250,000 as above stated.

Annual rentals to be increased by an appropriate portion of any increase in the price of newsprint. Proceeds of such increase in rentals shall be used as a sinking fund for retirement of general mortgage bonds.

Terms of the lease shall restrict the lessee from selling any of the newsprint produced by the property at less than the general contract market price.

3. Gefaell-Aldrich Offer

This offer contemplates formation of a new company to acquire Great Lakes Paper Co. and which will issue the following as consideration therefor:

1. To the bondholders:

(a) $6,000,000 of 5 per cent first mortgage 20-year sinking fund bonds dated Oct. 1, 1935, maturing Oct. 1, 1955, interest payable half-yearly, redeemable at three per cent premium up to Oct. 1, 1945, thereafter at a premium of 2 per cent, secured by first mortgage on fixed assets and a floating charge on other assets, with sinking fund of one per cent, commencing Oct. 1, 1941, increasing to 1½ per cent on Oct. 1, 1944, plus interest on bonds redeemed.

(b) 100,000 class A preference shares, no par value, with full voting rights and with the right equally with class B and class C preference shares to a fixed cumulative preferential dividend of $2 per share per annum from Oct. 1, 1935, and, with the further right to share equally with classes B and C and common shares in any further dividend distribution.

2. To the bondholders and liquidator:

100,000 common shares in such proportions as bondholders' protective committee and liquidator arrange.

3. To a trustee of publishers:

There will be issued an additional 100.000 class B preference shares, with same dividend rights as classes A and C shares, but no voting rights except to elect two directors. Publishers' interest in these shares terminates with their newsprint contracts in 1945, or 5 years later if options to prolong the contracts are exercised.

Offer provides for guarantee of an additional 67,500 tons of newsprint per year, for 10 years from Jan. 1, 1936, at the current contract price, to give the company a total production of about 90,000 tons per year. Offer good to Nov. 1, 1935.

4. R. O. Sweezey Offer

This offer provides for acquisition of assets covered by the mortgage by a new company, which will give as considerations therefor the following:

$3,000,000 par value out of an issue of $5,000,000 par value of first mortgage bonds, to be secured by a first fixed charge. The bonds dated Nov. 1, 1935, to mature Nov. 1, 1950, redeemable at not exceeding 105 as determined by the directors and provided in the mortgage, and carrying sinking fund as may be determined.

$1,000,000 of said $5,000,000 of bonds shall remain in the treasury and $1,000,000, with 40,000 common shares, shall be purchased by the offerers for $950,000.

$7,000,000, 5 per cent participating preferred shares having full voting power, preferred as to capital plus 5 per cent premium, participating equally with common, after latter receives dividends of $5 per share in any year; dividends cumulative to extent earned, callable at 105.

10,000 no par value common shares out of 50,000 common shares to be issued, the remaining 40,000 shares to be included in purchase by offerers for $950,000 cash.

Offer good to Nov. 1, 1935.

Great Lakes

Bondholders Consider Sale of Property at Adjourned Meeting Oct. 4

Great Lakes Paper Co., in receivership since 1931, is operating under National Trust Co., Toronto, trustee for holders of first mortgage bonds. Judicial sale of the property to new interests, which would take it out of receivership, is in progress. Bondholders met at Toronto on Sept. 20 to consider a number of offers to buy the property. The meeting was adjourned to Oct. 4.

Bondholders are not obliged to sell the property. If, after offers to purchase are revised, any one is considered sufficiently favorable, bondholders may accept. Valuable contracts for newsprint tonnage and exchange of present bonds for new securities are included in the offers which are summarized elsewhere on this page.

Makes Profits

Under the receivership, the company has been able to make profits during the depression after paying fees to the receiver and manager, National Trust Co. These and other costs would be reduced by sale of the property. The company's mills at Fort William are among the lowest cost producers of newsprint in Canada. Hence, profits might be enlarged by sale of the property for a consideration including newsprint purchase contracts. The mill is strategically located to supply newsprint for Chicago and American middle west.

The company holds rights to timber and pulp limits accessible to its mills sufficient to supply 200,000 tons annual newsprint capacity for 50 years. Timber limits cover nearly 9,000 square miles.

Capitalization—	Authorized	Outstanding
Common N.p.v.	750,000 shs.†	750,000 shs.
Pref. 6% cum. Par $100.	$10,000,000†	$10,000,000

†$50,000 preferred shares held by receiver of Minnesota & Ontario Paper Co. Balance of preferred stock and all common stock held by the Backus-Brooks Co., Minneapolis, Minn.

Funded Debt—
1st mtge. S. F. bonds, series A, 6 per cent, due 1950, outstanding $10,000,000. Interest defaulted Mar. 1, 1931.

Head Office—Minneapolis, Minn.

Officers and Directors—
Officers—E. W. Backus*, pres.; S. W. Backus, vice-pres. and treas.; Strachan Johnston, sec.
Directors — E. W. Backus*, S. W. Backus, R. D. Main, Minneapolis; George McLean, International Falls, Minn.; D. McLeod, Kenora, Ont.
*Deceased.

Bondholders' Committee — Rt. Hon. Arthur Meighen, chairman; A. D. Cobban, J. H. Ratcliffe, Hon. W. D. Ross, A. S. King, A. H. Smith, P. C. Findlay, of Toronto; Louis L. Lang, Kitchener; Secretary, R. G. Meech, 1710 Canadian Bank of Commerce Bldg., Toronto.

Income Account
Years Ended June 30

	1935	1934
	$	$
Profit on sales	164,514	283,897
Salvage, etc.	3,607	3,022
Sales adj.	*2,192	3,977
	165,929	290,896
Less: Receiver fees	60,000	60,000
Admin. expense	39,533	35,286
Loss, M. & O. accts.	4,260	......
	62,136	195,610
Add: Interest earned	8,039	10,806
Cash discounts	2,604	2,248
U. S. funds	*16,415	22,528
Net income	56,364	231,192
Less: Res. for conting.	48,597	45,000
Spec. services	......	7,500
Legal exp., etc.	†	9,811
‡Fire, land taxes	47,480	47,480
Receiver's net loss	39,713	§121,401

*Deduction. †Incl. in admin. expenses in 1935. ‡Includes $29,112 taxes of Transcontinental Paper Co. and Transcontinental Development Co. §Profit.

Newsprint Output Higher

In Canada the production of newsprint during the first seven months of 1935 increased three per cent, as compared with the same period of last year. In the United States the output during the first seven months of this year, was six per cent less than during the corresponding period of 1934.

NFLD. REPORTS ON CULTIVATION PEAT BOG LANDS

Scotch Experiment Successful With Same Type of Peat

Newfoundland is experimenting with the possibilities of reclaiming peat bogs for agricultural production. In order that more complete information on costs and possibilities may be obtained, Dr. W. E. Ogg, who has just completed a survey of the peat areas in the Avalon Peninsula for the Commission of government, recommends that pasture experiment be undertaken on a small area near Markland. This would be a preliminary test, using the material on hand.

In a country where there is not a large amount of farm land, extension of this area represents a real problem. Peat of the same type as in Newfoundland has been successfully drained and cultivated in various parts of the world. In that country it appears that the question has developed into one of comparative costs. Is it more economical to reclaim peat bogs or to de-forest mineral soil?

Dr. Ogg's Report

Dr. Ogg's interim report is briefly that raising of more agricultural produce in Newfoundland appears to be desirable in order to raise the standard of living and to provide work. In the areas he examined, reclamation of additional agricultural land on mineral soil involves clearing of forest. While in certain places the timber would assist in paying for clearance, in others its only use is for fire wood. Necessity for clearing forest does not arise on most of the peat land, although there is a dense mat of surface vegetation. Most of the forest land would require fairly heavy application of fertilizer, and would not have any great advantage over peat land in this respect.

Successful in Scotland

The Newfoundland peat is of the same type as that in Lewis Island, Scotland, where, it is stated successful attempts at cultivation have been made. In Lewis, well over 90 per cent of the soil is moss peat and there was need of reclamation to provide the fishermen crofters with a better standard of living. The scheme was carried out six years ago and now the island, which formerly imported considerable quantities of milk, is self sufficient in this regard. It has also made many agricultural improvements in other directions. Dr. Ogg states that in Scotland it has been clearly demonstrated that the moss type of peat, when properly treated, is capable of producing good crops of clover, hay, oats, silage, potatoes and other vegetable crops.

Possibilities of peat reclamation being successful in Newfoundland are regarded as more favorable than in Scotland because the peat can be more readily drained. There is also a plentiful supply of timber in the country for wooden box drains. On the other hand, cost of lime and fertilizer would probably be much higher, and additional expense would be incurred in dealing with surface vegetation.

INCOME REVENUE UP $16 MILLIONS IN FIVE MONTHS

Federal Gov't Shows Surplus of Over $5 Millions at Aug. 31

Income tax revenue collected by the Dominion Government for the first five month of 1935 was more than $16 millions over the collections for the same period last year, and the June revenue from this account gained $398,000 over June of 1934. The income tax revenue ordinarily falls off however, at this time of year.

The Government's position at Aug. 31 shows a surplus of over $5 millions. Both revenue and expenditures were up over the 1934 levels. The drop in the excise taxes from $44 millions to $41 millions takes into consideration the decrease in whisky levies removed in the spring of this year.

Special Expenditures

Special expenditures for the period jumped from $14 millions last year to $23 millions this year because of a decided increase in construction as provided for in the Public Works Construction Act and a slight increase in the provision for unemployment relief.

August revenue this year was $1,139,000 lower than expenditures. The situation for the same month last year was the reverse when revenue was $5,746,000 above expenditure. With the gold tax having been removed, revenue from this source is disappearing. The noticeable cause was the expenditure for unemployment relief. It boosted the expense to the Dominion from $3 millions in 1934 to over $4½ millions in 1935, and public works from $305,000 in August of last year to over $3 millions this year.

Dominion Revenue and Expenditure
Five Months to Aug. 31

Revenue:	1935 $ 000's	1934 $ 000's	Change $ 000's
Customs duty	30,583	33,326	—2,743
Excise duty	19,214	17,802	+1,412
Excise taxes	41,568	44,590	—3,022
Income tax	61,174	45,091	+16,083
Gold tax	1,392	2,677	—1,285
Post office	11,301	11,002	+299
Miscellaneous	7,636	7,532	+104
Special	188	154	+34
Total	172,966	162,174	+10,882
Expenditure:			
Ordinary	139,719	139,795	—76
Special	23,857	14,461	+9,396
Capital	3,687	5,186	—1,499
Total	167,263	159,442	+7,821
Month of August			
Revenue:			
Customs duty	6,037	6,201	—164
Excise duty	4,217	4,246	—29
Excise taxes	9,852	10,204	—352
Income tax	2,886	2,488	+398
Gold tax	9	569	—560
Post office	2,200	2,100	+100
Miscellaneous	1,817	2,419	—602
Special	22	67	—45
Total	27,040	28,294	—1,254
Expenditure:			
Ordinary	19,291	18,837	+454
Special	7,916	3,328	+4,588
Capital	972	383	+589
Total	28,179	22,548	+5,631

Seek $380,000 Bonds of Toronto Harbour Com.

Offers to sell $380,000 par value of Toronto Harbor Commissioners 4½ debentures due 1953 to the sinking fund will be received by National Trust Co., Toronto, up to Sept. 30.

Labor Asks Nationalization Canadian Banking System

The Trades and Labor Congress of Canada, at its 51st annual convention at Halifax just concluded, declared itself unanimously in favor of the nationalization of the Canadian banking system. The Congress takes the stand that privately owned banking institutions do not guarantee the public "the protection to which it is entitled." The resolution dealing with the subject was sponsored by the Montreal Trades and Labor Council and evoked scant discussion at the convention.

Two hundred delegates attended the sessions.

"New Money"

A resolution calling for the issuance of "new money" to finance public projects including homes for the needy, sponsored by the London lodge of the Brotherhood of Railway Carmen of America, did however, start a controversy.

It was aimed as "using the national credit" to avoid "crushing the citizens with an impossible burden of debt." Monetary stability, it was felt, would be ensured by withdrawing the new currency gradually from circulation.

The sponsors of the "new money" plan saw their resolution go back to the resolutions committee for possible "future action." This was done because of the feeling prevalent in the committee that the objective of the resolution had been covered in the nationalization proposal. The committee recommended non-concurrence and the Ontario delegates, including Mayor James Simpson of Toronto, fought hard for its adoption.

Dividends on Capital

No comment was evoked on the resolution pressing for legislation limiting corporations to paying dividends only on actual capital employed, preventing "inflation and over-capitalization." Paying dividends on bonus stock given shareholders meant they must be made up by higher commodity prices and shaving the workers' pay.

The Congress, without a word of debate, accepted a resolution calling for the Government to close all federal relief camps for single homeless men. The resolution was couched in unmistakable language and declared, among other things, that the present method was entirely inadequate and lacking of "any worthwhile policy" of dealing with a social problem.

Social Insurance

Another highlight of the convention was a social insurance scheme of broad scope which was urged upon the federal government by the Congress. Under its plan old-age pensions would be paid at 60 years instead of the present 70; widows would be cared for and health and unemployment insurance would be paid as federal responsibilities.

The Congress debated at length and subsequently voted non-concurrence in a move for minimum wages for men by law in Canada. The sharp diversity of opinion in the ranks of the workers on the advisability of allowing federal and provincial governments to fix minimum wages, was again shown. Opponents of the resolution contend that the moment governments are allowed to determine minimum wages the usefulness of the labor movement is ended and the minimum becomes the maximum.

Resolutions favoring reduction in hours for Canadian workers were endorsed unanimously. A demand to parliament to put in force a six-hour day and five-day week in all industries with an increase in pay to equalize loss in earnings to the workers was made.

Draper President

Patrick Martin "Paddy" Draper, champion of labor, was elected president of the organization, an office held for 17 years by Tom Moore. R. J. Tallon, of Montreal was elected to fill the vacancy created by Mr. Draper's elevation, that of secretary-treasurer. Vice-presidents include D. W. Morrison, of Glace Bay, L. A. Beaudry, Arthur Martel, both of Montreal, Mayor James Simpson, of Toronto and Percy Bengough, of Vancouver.

Canadian Inter. Paper Enlarging Temisk. Unit

From Our Own Correspondent

MONTREAL. — Canadian International Paper Co. will spend over $300,000 in alterations to the Temiskaming plant, to extend the use of "cloat," a liquid preparation obtainable in England, which produces a white pulp and makes the material proof against change in color in the manufacture of rayon silk. The company also will spend $60,000 for a new stoker and $50,000 for 20 dwellings for employees.

Bruno Jeannotte Heads New Investment Firm

From Our Own Correspondent

MONTREAL.—Official announcement is made of the formation of Bruno Jeannotte Ltée. to transact a general business in investment securities, specializing in government and municipal bonds to religious institutions.

Bruno Jeannotte, the president, was for some years associated with Société Générale de France, and A. Verrier, vice-president, was until recently with Credit Anglo Français and previous to that with Ernest Savard Ltée.

W. J. Westaway Company Appoints New Officers

At a special meeting of directors of W. J. Westaway Company, Hamilton, called to fill the vacancy caused by the death of W. J. Westaway,

H. M. Marsh who, for almost ten years has been vice-president, was elected president. W. A. Kennedy was elected vice-president. J. C. Westaway, son of the late president, was elected secretary-treasurer.

ANGLO-CANADIAN PULP AND PAPER MILLS LIMITED

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Recent results entitle us to claim that for Dependability, Economy and Uniform Good Service our Wires are unsurpassed. Specify CHRISTIE'S "RUBY METAL" WIRES.

FACTORY AND OFFICES:
THREE RIVERS, QUE.

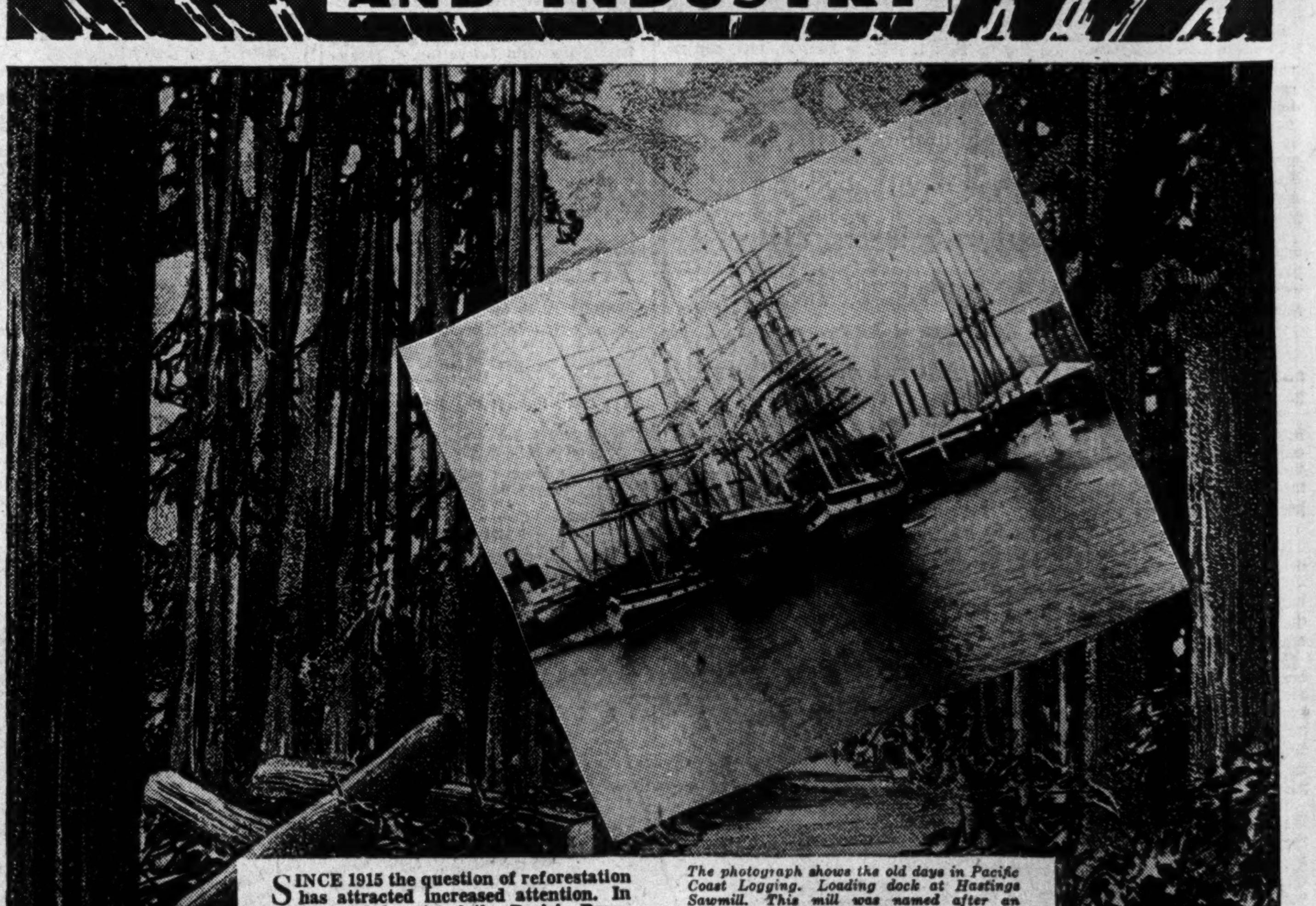
Spruce is Heading Wood

There are relatively few kinds of wood used in pulp manufacturing in Canada, spruce and balsam, fir making up 91.3 per cent of the total. Hemlock, jack pine, and poplar are also used extensively together with smaller quantities of less important kinds.

Second to Wheat

For the fiscal year 1908 printing paper was for the first time separately reported among Canada's paper exports, and was valued at $2.8 millions. Last year the exportation of newsprint ranked second only to wheat among Canada's exports.

EXPLOSIVES AND INDUSTRY



The photograph shows the old days in Pacific Coast Logging. Loading dock at Hastings Sawmill. This mill was named after an Admiral of the British Fleet.

SINCE 1915 the question of reforestation has attracted increased attention. In the natural forests of the Prairie Provinces a systematic work of seeding and planting has been carried on. Every year many millions of seedling trees are supplied to prairie farmers to plant shelterbelts. These trees up to the present time are an aid to agriculture and a means of adding comfort and beauty to farm homes. Both Ontario and Quebec Provinces have the same plan of distribution of seedling trees, with the object of building up the farm wood lots in the older sections, which wood lots have in many cases been allowed to become too small in area and too poor in the quality of timber for the best interests of the farming community.

In both Ontario and Quebec some attention has been directed to municipal forests. In Quebec these undertakings are generally township or canton forests.

In Ontario under legislation, both country and township councils have been acquiring tracts of non-agricultural land and planting trees.

To find out the best methods of restoring forests under the different conditions in Canada, the Forestry Branch of the Department of the Interior has established experimental stations across the Dominion to study methods of forest regeneration, such as thinning, pruning, drainage, mixture of species, etc., and on the rate of growth and quality of the stand.

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VANCOUVER
VICTORIA

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"Everything for Blasting"

Conversion Scare

Holders of Governmental Bonds are Nervous Despite Reassurance; Canadian Position Unlike Either Britain's or Australia's

Since the first of August, two sharp declines have developed in prices for Canadian governmental bonds, federal, provincial and municipal.

The first, which terminated at the first of September, is attributed to the campaign and election of the Aberhart Social Credit government in Alberta.

The second, more pronounced, is due chiefly to the proposal of a nation-wide conversion of governmental debts made on Sept. 9 by Rt. Hon. R. B. Bennett.

Interest in the position of government bonds centres around the possible outcome of "social credit" plans in Alberta and the form, if any, which a national debt conversion might take. It is still entirely possible, of course, that "social credit" will not be tried out in Alberta and that a national conversion of governmental debts may be avoided. As long as both are threats, however, bond prices may be expected to reflect the accompanying uncertainty in some measure.

Bennett Proposals

First of all, in investor interest, comes the debt conversion proposal of Mr. Bennett.

Even though Mr. Bennett may not be re-elected at Ottawa, the fear of bondholders is that whatever new government comes into power there may be an effort to do something by way of conversion.

Just what Mr. Bennett's scheme involves is uncertain.

The Prime Minister has stated that he favors a national conversion of debts of federal, provincial and municipal governments into securities bearing lower interest rates. He has mentioned 2½ per cent as an objective. He has cited the British debt conversion of 1932 as an example of what he means. He has tried to undo damage to bond markets by emphasizing that he favors only a "voluntary" conversion.

What Britain Did

For several reasons, it is impossible for Canada to carry out a debt conversion on precisely the lines followed in Great Britain.

This is what Britain did. The huge five per cent war loan was called, to be redeemed at 100 on Dec. 1, 1932, strictly in accordance with the terms of the issue. Holders were offered 3½ per cent bonds in exchange. Those who accepted before July 31, 1932, were offered a cash bonus of one per cent. Those who accepted after July 31 were given a par for par exchange. Those who declined the offer were paid off in cash.

The conversion was a big success. One reason was that the Bank of England had manipulated interest rates so that it was not entirely disadvantageous to holders to convert. Another was that British investors acted for patriotic reasons to help out the government budget-balancing programme.

In its every phase the British conversion was entirely within the terms of the government covenant to pay.

Canadian Contrast

In Canada the situation differs from that in England in 1932. Large maturing Dominion loans have already been refunded at reduced rates of interest. Most of them are not now callable for many years. There are only two major issues bearing over five per cent maturing in the near future.

Few Canadian provincial and municipal bonds are redeemable much before their maturity dates. There is a large volume of unfunded debt in floating liabilities of provinces and municipalities. There is no legal way, however, of forcing investors to part with their holdings. Nor can they be compelled to buy bonds to fund floating debts of minor Canadian governments.

It appears that the only way in which Mr. Bennett or anyone else could put across a "voluntary" conversion would be to hang out a shingle:

2½% for 4½, 5, 5½%

Reversing the cry of the African magician, it would be "old lamps for new."

There might be some investors sufficiently patriotic to take 2½ per cent bonds for 4½'s. Also, however, there would be many who would remain unpatriotic for two per cent per annum.

Rates Already Cut

Another aspect of the Canadian debt situation which has been given little attention is that many investors have already taken interest reductions by the refunding of governmental loans.

In the past 4½ years, 5½ per cent bonds have been changed into issues yielding from 4½ to less than three per cent. Obviously, this has placed many bondholders in differing positions, both as to market value of their securities and as to interest yield.

To complicate the picture, there is a large body of investors who have recently bought high coupon bonds at substantial premiums. These latter, and some of those who converted, have already borne the full burden of the type of "voluntary" debt conversion Mr. Bennett has proposed. Any scheme to offer 2½ per cent bonds to such investors could hardly be expected to get their "voluntary" support.

Australian Compulsion

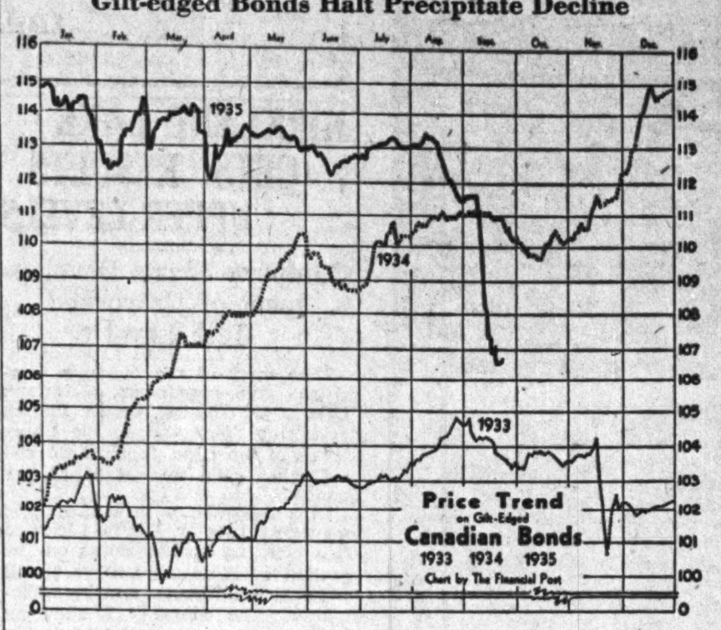
The fact that Mr. Bennett proposed a debt conversion in the face of these known obstacles has led many investors to the not unnatural belief that the scheme involves some element of compulsion to convert present bond holdings. This is attested by the virtual panic reflected in bond prices. What is feared is a coercive conversion along the lines followed by Australia in her virtual national bankruptcy of 1930 and 1931.

What Australia did is this. All internal interest and dividend rates were ordered reduced by 22½ per cent. The holder of a four per cent government bond was given a new three per cent bond, with an addition to the face value to bring the interest reduction to exactly 22½ per cent. This applied to state and municipal as well as Commonwealth bonds. Corporation bonds and preferred stock were treated likewise.

Refunded Abroad

Bondholders abroad were exempted from this conversion. Later, however, as outside loans became callable legally, they were redeemed. Reduced levels of interest rates in Great Britain aided to a major degree in refinancing redemptions of sterling loans at reduced rates.

Gilt-edged Bonds Halt Precipitate Decline



Downward glide of gilt-edged bonds of the past two weeks has halted at least temporarily as indicated by the bump appearing on the toboggan-slide of prices depicted above. The September slump is the result of investor fears of a conversion loan to reduce interest rates on outstanding Dominion loans.

In Australia, the conversion loan was "voluntary" up to a point. With manly patriotism, Australians submitted to this amputation. The alternative, of course, was the gangrene of national bankruptcy. When it came down to the last three per cent of the debt, however, holders declined to "volunteer" their bonds for conversion. A law was passed forcing them to do so.

There was a distinct element of coercion in the Australian plan.

Canadian Debt

Because he mentioned Dominion, provincial and municipal debts, Mr. Bennett's scheme has been compared with the Australian rather than the British type of conversion. This is also due, of course, to the obvious fact that Canadian governmental debt is in so dissimilar a position to that of Britain in 1932 that the United Kingdom's form of conversion is conceded by financial authorities to be virtually impossible here.

To convert Canadian internal governmental debts on any other basis than that which the government has followed for nearly five years involves some element of coercion unless John Investor Canuck is sufficiently philanthropic to waive his legal rights and to accept something less than is his due.

Possible Savings

It is estimated that the total debt of all Canadian governments is $6,948,037,000. Total interest charges on this debt do not exceed $325,000,000 annually, and are believed to be about $300 millions. This is shown below:

Governmental Debt and Interest

	Internal and External Debt	Interest *Annual
	$	$
Dominion:		
Direct	2,858,624,524	130,000,000
Guaranteed	1,086,573,121	45,000,000
Provincial:		
Direct	1,472,873,739	60,000,000
Guaranteed	129,965,723	5,000,000
Municipal	*1,400,000,000	60,000,000
Totals	6,948,037,107	300,000,000

*Estimated.

At $325 millions, the average rate of interest is 4.65 per cent. A reduction of the average rate to 2½ per cent, as Mr. Bennett thinks possible, would seemingly mean a savings of over $150 millions annually. This, however, would be based on the assumption that the full saving could be effected on the entire debt. This would be incorrect.

Some $100 millions of the annual governmental debt charges are payable to non-residents of Canada. These would not come under the proposed conversion. The maximum possible saving is estimated by The Financial Post at $104 millions annually. This figure is probably too high because Mr. Bennett's suggested rate of 2½ per cent is too low in comparison with long-term interest rates of any other country on earth.

Saving at 3% and 3½%

Reduction of the average rate to 3 per cent would mean a saving in annual interest charges of over $75 millions. Reduction to 3½ per cent would save over $50 millions annually.

This compares with total governmental deficits in Canada on all accounts as follows:

1930	$226,030,014
1931	396,800,713
1932	507,389,509
1933	263,217,749
1934	314,405,981

A saving of $50 or $75 millions annually would be worthwhile, but would not solve the problem of governmental debt increases.

Ineffective Reassurance

In making it clear that he proposes only a "voluntary" conversion, Mr. Bennett did not repair the damage to bond markets caused by his original announcement. One of the reasons that the reassurance was ineffective was that he mentioned a possible reduction of the average rate to 2½ per cent.

The average rate of 2½ per cent would mean a reduction of 40 to 50 per cent in present average interest charges on Dominion, provincial and municipal bonds. This compares with a reduction of 30 per cent in the case of the British conversion and of 22½ per cent on the all-encompassing Australian operation.

The comparison is really more adverse than the foregoing indicates. In Great Britain and Australia, the debt conversions were undertaken before any gradual refunding of major importance had been started. In Canada rates on government bonds have been reduced by the conversion process for several years. Hence the proposal of an additional cut of 40 per cent or more has served to add to the alarm of bondholders. Both absolutely and relatively, the conversion proposals of Mr. Bennett, even stated to be based on "voluntary" acceptance, are more drastic than those of Britain or Australia.

Offsetting Losses

If a national conversion of governmental debts were tried, it would, as shown above, imply some element of compulsion if success were to be sure. A purely voluntary conversion would rest upon intangible support and might be unsuccessful.

The point is, of course, that to coerce bondholders into conversion would entail some loss of faith in governmental securities and deterioration of credit. This year's depreciation of nine per cent in government bond averages clearly indicates injury to governmental credit in Canada. This is costly. In the long run it might be more expensive to governments to compromise on present debts than to continue to live up to their covenants to pay.

Unfortunately, it is not possible to measure the precise increase in interest charges resulting from loss of credit. In the case of Alberta, however, it is apparent that at present the province cannot borrow from outsiders at all. Thus, it is possible for a government to injure its own credit to the extent that no matter how high a rate is offered the public would not buy its bonds.

Expert Opposition

It is known that officials of the Department of Finance at Ottawa are cool to proposals of a loan conversion bearing any implication of coercion. These officials also realize that conversion of existing government debts in Canada without some element of compulsion would be uncertain of success. Whatever government is elected, it is hardly likely that departmental experts will advise the sort of debt conversion that investors have feared will be thrust upon them.

Alberta's Credit

As for Alberta and its Social Credit scheme, the effect has been to undermine the credit of the province to a serious degree. In a comparison of prices, interest yields and changes since the first of August, injuries to government credit in general and to Alberta credit in particular are shown:

The chief worry of holders of Alberta bonds is that "Social Credit" will make it impossible for the province to pay its debts. It is recognized that the Aberhart system may never be tried. Bondholders are certain that it is 99.44 per cent fallacious. But as long as a Social Credit government with the power to upset provincial finance remains in office, investors will fear the possibilities.

Except for "Social Credit," Alberta's economic and financial position has shown signs of improvement. If and when the "Social Credit" scare passes, the provincial credit is expected to recover.

Cooked Own Goose

Domestic rather than external influences have been the major factors in shaking the underpinnings of Canadian bond prices in the past two months. But external influences have been important. The tendency of bonds to decline abroad has exerted a minor influence.

Cessation of purchasing by outside investors and some selling from abroad have contributed to the decline of bond prices. The chief causes of this, of course, are internal Canadian disturbances. Canadians too have sold or tried to sell the Dominion's securities for the same reasons.

The question upermost in the minds of investors is: Will the situation be corrected in the near future?

Money Waiting

Investors both inside and outside Canada have plenty of money for investment in governmental securities here. The money, however, is nervous.

The primary fear is that Canada may become unwilling to pay, and it is based on the conversion scare. The second uncertainty concerns Canada's ability to pay. As yet, there has been only partial indication that Canadian governments may eventually pay their way.

Termination of recent political disturbances may remove the immediate fears which have undermined bond prices. Ultimately, of course, recovery of governmental bonds will depend upon Canadian governments balancing their budgets.

Price and Yield Comparisons for Canadian Governmental Bonds

Issue:	Bid Prices Sept. 21	Bid Prices Aug. 1	Decline	Interest Yields Sept. 21	Interest Yields Aug. 1	Rise
	$	$	...	%	%	...
Dominion, 3% 1950-55	97.50	99.35	1.85	3.10	3.02	.08
Dominion 4½% 1943-59	103.50	109.25	5.75	4.08	3.60	.52
Can. National Railway 3% 1945-50	97.25	99.35	2.10	3.14	3.01	.13
Can. National Railway 5% 1954	105.50	114.75	9.25	4.48	3.84	.64
New Brunswick 4½% 1961	103.00	108.50	5.50	4.18	3.92	.26
Nova Scotia 4½% 1961	105.00	110.00	5.00	4.06	3.83	.23
Ontario 4½% 1950	101.50	108.50	7.00	4.23	3.71	.52
Quebec 4¼% 1958	105.00	110.25	5.25	3.79	3.53	.26
Manitoba 6% 1947	102.50	109.50	7.00	5.41	4.83	.58
Saskatchewan 5% 1952	101.00	107.25	6.25	5.72	5.26	.46
Alberta 6% 1947	95.00	103.00	8.00	6.25	5.04	1.21
British Columbia 6% 1947	100.00	103.00	3.00	5.76	5.47	.29
The Financial Post Averages	106.57	113.11	6.54	4.097	3.480	.517

NATURE RESTORING MOISTURE IN WEST

Prairie Provinces Report Increased Precipitation This Year

Nature seems to be rapidly restoring the proper balance of moisture in the western provinces. In its mid-September weather report, Sanford Evans Service reports precipitation since April 1 of 17.39 inches in Manitoba this year as compared with less than half this amount in 1934 and a ten year average of 10.58.

Rainfall in Saskatchewan has not been quite so pronounced but 11.22 inches is reported as compared with 7.65 a year ago and a ten-year average of 9.52. Incidentally, too, much of the heaviest rainfall this year, that is, between 12 and 15 inches, has been reported in the southern section of the province where drought was most serious the last few years.

Alberta with 10.75 inches this year is only about 10 per cent above a year ago and very little above the ten-year average. Unfortunately, the heaviest precipitation has taken place in the central or northern districts where usually there is considerable rain any way, whereas the southern section, some of which had the driest season in 22 years, has run far behind normal. There has, however, been some improvement since late August, but, of course, this was too late to help most of the crop, thought it will build up the reserve supply for next year.

Rolland Paper

Earnings Are Maintained — All Charges, Including Preferred Dividend, Covered

Rolland Paper Co., whose operations and earnings during the depression years displayed outstanding stability, reports an income of $354,141 for 1934, as against $333,871 in 1933.

Owing to the close relationship existing between this company and its customers for more than half a century, sales have been maintained at a relatively high level and last year recorded an encouraging increase over 1933. At the same time, however, operating costs were also higher, resulting in a gain of slightly better than $21,000 in the year's earnings. Net income was sufficient to cover all senior charges, including reserves for depreciation and payment of dividends on the preferred stock.

In so far as the company's financial position is concerned, the balance sheet indicates a satisfactory state of affairs. At the end of last year current liabilities were somewhat lower than a year ago, while the funded debt showed a reduction of $74,000 to $2,249,000. In addition the company carries among mortgages and sundry investments, $148,500 of its own bonds, so that the funded debt outstanding in the hands of the public is around $2.1 millions.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	60,001 shs.
No par value.		
Preferred cum.	$2,500,000	$1,500,000
Par $100.		

Funded Debt— 1st mtge. S. F. bonds, series A, 5½ per cent, due 1948, outstanding $2,249,000.

Dividend Record— Preferred—6 per cent per annum, payable 1st March, June, Sept. and Dec. Initial dividend paid Sept. 1, 1928, and regularly since. Common—None paid.

Head Office—Montreal.

Officers and Directors— Officers—Jean Rolland, pres.; J. Pierre Rolland, vice-pres.; Olivier Rolland, gen. mgr.; J. A. Forget, sec.-treas. Directors—Jean Rolland, J. Pierre Rolland, W. C. Pitfield, Francis Saint-Pierre, I. W. Killam, H. J. Symington and A. G. MacKinnon, Montreal, P.Q.; Olivier Rolland, Mt. Rolland, P.Q.; Donald Fraser, Plaster Rock, N.B.

Times Bond Interest Earned—

	1934	1933	1932
Before deprec.	2.80	2.41	2.21
After deprec.	2.01	1.68	1.63

Earnings per Share and Dividend Record—

	1934	1933	1932
Pref.: Earned	$7.27	$6.15	$6.08
Paid	6.00	6.00	6.00
Common: Earned	0.32	0.04	0.02
None paid.			

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928*	‡258,607	45,000	§80,196
1929	‡440,480	90,000	§211,176
1930	†379,358	90,000	281,034
1931	†346,876	90,000	312,204
1932	†323,764	90,000	313,187
1933	†333,871	90,000	315,445
1934	352,941	90,000	332,319

*Seven months ended Dec. 31, 1928.
†After operating expenses, federal and general taxes and provision for bad and doubtful debts.
‡After operating expenses but before income tax.
§Before deduction of income tax.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L
Preferred	92	83	90	80

*To Sept. 18.

Sidney Roofing

Sidney Roofing and Paper Co., operating in Victoria and Vancouver, is a privately owned concern which does not issue a statement regarding its finances or operations. Toward the end of 1934 it was reported that the company made arrangements for the taking over of National Paper Box Ltd.

National Paper Box has been in business in Vancouver since 1913, with the main plant in that city, and another in Victoria operated by a subsidiary, Victoria Paper Box Co. It is one of the largest manufacturers of paper boxes in British Columbia.

Sidney Roofing's manufacturing operations have been confined to the production of groundwood pulp, boxwood, paper, felt, building and roofing papers.

Hinde & Dauch

Production Continues to Increase — Interest and Dividends Being Covered

Hinde & Dauch Paper Co. is having a satisfactory year in 1935. Production has been five to seven per cent ahead of 1934 for fibre and paperboard shipping containers, the company's chief products.

Last year's earnings showed a large gain over those of 1933. Consequently, dividends on the common shares have been resumed at 50 cents a share per annum. Interest on the first mortgage bonds is being covered by a wide margin.

The company's plants at Toronto, Montreal, and Trenton are among the largest manufacturers in Canada of corrugated paper products, paper board, straw paper for corrugating and fibre shipping containers.

Sales Increases

Tonnage sales increased 17 per cent in 1934 over those for 1933 and are expected to show a further increase this year. An important factor in increasing production and sales has been the freer sale of beer in Ontario. The bottled beverage is packaged in corrugated paper containers for domestic consumption.

Capitalization—

	Authorized	Outstanding
Common	300,000 shs.	299,933 shs.
N.p.v.		

A majority of the stock is held by the Hinde & Dauch Paper Co. of Ohio.

Funded Debt— 1st mtge. S. F. bonds, series A, 5½ per cent, due 1948, outstanding $1,227,000.

Dividend Record— Common—$1 per annum paid quarterly from July, 1928, to Jan., 1930; passed until payment of 12½c. a share on Jan. 2, 1935; 12½c. paid Apr. 1, July 2 and Oct. 1, 1935.

Head Office—Toronto.

Officers and Directors— Officers—S. Frohman, pres.; L. F. Winchell, vice-pres. and gen. mgr.; J. H. MacLeod, sec.; T. E. Lloyd, treas.; M. H. McArthur, gen. sales mgr. Directors—S. Frohman, J. H. MacLeod, Sandusky, Ohio; M. H. McArthur, L. F. Winchell, T. E. Lloyd, R. L. Warren, Toronto; M. H. Murch, Cleveland.

Times Bond Interest Earned:

	1934	1933	1932
Before deprec.	7.98	4.53	2.50
After deprec.	5.31	2.16	0.30

Earnings per Share and Dividend Record:

	1934	1933	1932
Com.: Earned	$0.80	$0.26	nil
Paid	0.12½	....	....

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	773,324	......	528,504
1929	455,717	224,950	191,711
1930	214,308	299,933	7,522
1931	*33,771	......	*298,466
1932	205,382	......	*57,271
1933	†344,123	......	78,929
1934	546,400	37,492	201,683

*Loss or deficit.
†Includes profit on purchase of bonds of $17,405.

Market Record—

	*1935 H	*1935 L	1934 H	1934 L	1933 H	1933 L
Com.	12	10	10	5¾	8	2

*To September 19.

Westminster Paper

Consistent Increase in Profits Reported by Pacific Coast Producer

Earning power of Westminster Paper Co. operating a paper specialty plant in New Westminster and controlling a similar unit at Bellingham, Wash. has shown a consistent increase in recent years. Despite a decline in selling prices, a marked improvement in sales during the fiscal year ended July 31, 1934, resulted in the largest net earnings ever reported by the company. After allowance for increased depreciation charges, debenture interest and income taxes, there was a balance available on the common stock equivalent to 54 cents a share, as against dividend payments of 40 cents a share.

The company has only two classes of capital, a first mortgage bond issue of somewhat less than $300,000, interest on which is guaranteed by the city of New Westminster, and 47,789 shares of common stock of the par value of $10 each. Cash dividends have been paid on the latter since 1933.

In addition to the domestic business, Westminster Paper carries on a large export trade. Markets have been opened up in more than a score of foreign countries, including, New Zealand, South Africa and China. In addition the American subsidiary handles the U.S. Pacific Coast trade.

Capitalization—

	Authorized	Outstanding
Common	$500,000	$477,890
Par $10.		

Funded Debt— First mortgage S. F. bonds, 6½ per cent, due 1950; outstanding $259,455.

Dividends— On Sept. 15, 1931, directors declared a 4 per cent stock dividend, for immediate distribution, fractional shares being adjusted by payment of cash on a 4 per cent basis. In the fiscal years of 1933 and 1934 a cash dividend of 40 cents per share was paid. This has been continuing in 1935.

Head Office—New Westminster, B.C.

Officers and Directors— Officers—J. J. Herb, pres. and mgr.; S. A. Lake, vice-pres.; H. M. Lord, sec.-treas. and purchasing agent. Directors — J. J. Herb, Bellingham, Wash.; H. M. Lord, J. G. Robson, John Peck, F. J. Hume, New Westminster; S. A. Lake, K. Walkem, F. Smith, F. Wright, Vancouver.

Times Interest Earned— Yr. end. July 31:

	1934	1933	1932
Before deprec.	5.06	4.22	3.15
After deprec.	3.12	2.60	2.36

Earnings per Share and Dividend Record—

	1934	1933	1932
Com.: Earned	$0.54	$0.45	$0.42
Paid	0.40	0.40	4% stk.

Chief Exporter of Newsprint

In 1934 Canada occupied first position by a very wide margin among the world's chief exporters of newsprint paper, her exports being almost seven times as great as those of Newfoundland, her next competitor.

THE VALUE OF
REFLECTION

In a totally black room, illumination is limited to direct light from lamp or window. Paint the walls with Save-Lite Interior Wall Enamel and *the illumination is increased nearly 500%!* That gives you an idea of the reflection value of this highly efficient Sherwin-Williams wall finish.

Are you sure dingy or poorly finished walls aren't robbing your plant of valuable illumination? Now is the time to check up. Our paint engineers are equipped with the "Sightmeter," a scientific instrument that tells at a glance the efficiency of your lighting. We shall be glad to have one call and help you make the test, without any obligation.

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WHITE

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COVER THE EARTH

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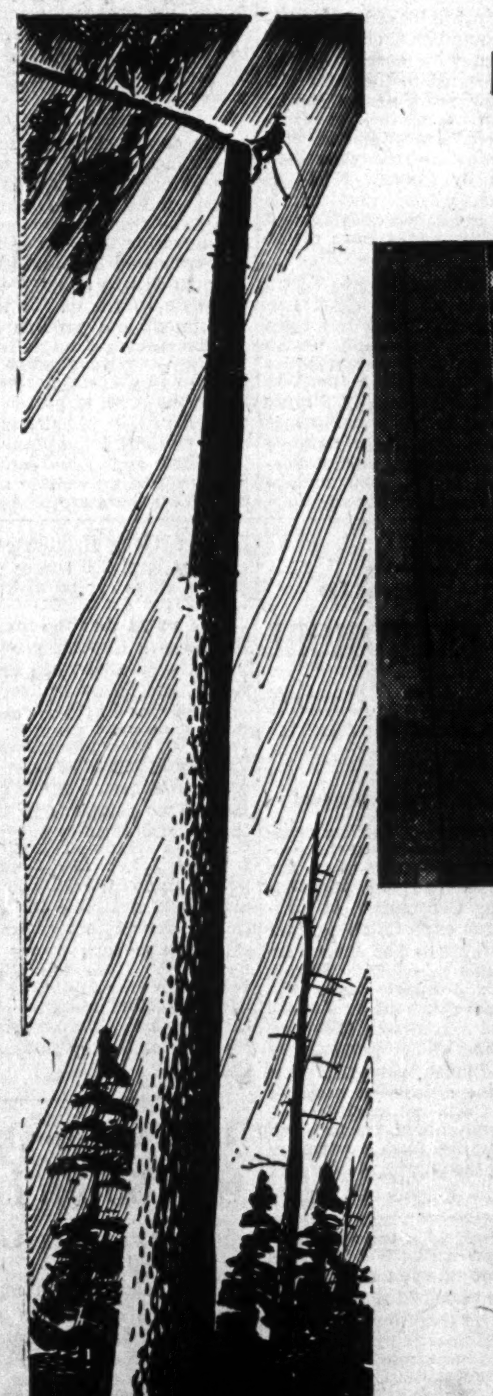
BETTER LIGHT . . . . BETTER SIGHT

FOR EVERY
PAPER MILL DRIVE—



The most efficient transmission belting for paper mill drives is Duraflex—the seamless rubber belting made by Gutta Percha.

Duraflex is a square edge, seamless belting, built ply upon ply of heavy specially woven duck, and a heavy pure-gum cushion of rubber vulcanized under heavy pressure. It is extremely flexible, free from crimping of the inner plies, hugs the pulleys and conforms to crowning no matter how short the centres. Edges are waterproofed, and will not ravel.

Write for a free sample of this better belting, or send us your specifications and we shall be glad to advise you.

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The Largest All-Canadian Rubber Company — Founded in 1883
Makers of
"DURAFLEX" TRANSMISSION BELTING

News of Canadian Mining Investments

The Week in Mining

Collier "Caches" In

FINIS has been written to the spectacular Canada-wide publicity campaign in connection with the sale of Bonanza Cache Gold Mines.

Formal announcement of voluntary liquidation of Robert Collier & Co. Ltd., promoters, was made in Vancouver recently. M. McKerrow has been appointed liquidator.

Robert Collier & Co. came into prominence in May last when the Canadian mails were flooded with glowing circulars which described Bonanza Cache stock as "the greatest chance at Fortune that has ever been offered." The circular was roundly criticized by The Financial Post, and investors warned. In August a report on the property was made public by the British Columbia Department of Mines which failed to substantiate the rosy picture painted by the circular.

The liquidation of Robert Collier & Co. means that its publicity campaign failed to "go over." Investors are not as easily taken in by misleading statements and vague promises as a few years ago. This change of attitude on the part of the small investor is due largely to the campaign carried on by the financial press and by the various provincial governments against misleading statements in sales circulars.

* * *

Exit Flamboyancy

IN ONTARIO there has been a marked reduction in the amount of misleading literature as a result of the efforts of the Ontario Securities Commission. Early this year the commission issued instructions that all sales literature was to be forwarded to the Commission as soon as issued. Since that time a large number of circulars which contained misleading or exaggerated statements have been ordered destroyed before they obtained widespread circulation. As a result of this policy a large number of concerns have adopted a policy of submitting their literature to the Commission before having same printed.

A majority of the complaints with which the Commission deals arise from representations made misleading by exaggeration, and from wordings likely to lend themselves readily to misconstruction by the purchaser and misuse by security salesmen. All statements which mislead or misrepresent, and promises for which no one accepts responsibility are suppressed.

The Commission, however, is more lenient than the United States Securities and Exchange Commission at Washington. Generous latitude is allowed to securities issuers in the publication of their opinions and expectations, and unrestricted use of reports from qualified mining engineers.

* * *

One Strike and Out

THERE is one New York "authority" on Canadian mining who by now must be frequenting untravelled byways, avoiding his friends, and generally hanging his head in blushful shame.

Scanning Canadian papers for material with which to pad an "advisory report" he was making for his clients on McIntyre Porcupine, this Gothamite saw a headline; "Important strike on McIntyre's Mud Lake holdings."

"Here," he must have thought, "is definitely something." Apparently reading no further, he turned to typewriter and wrote:

"The strike on the company's Mud Lake area properties shortly before the June quarter was largely responsible for the decline in earnings for that period. This area is important and as a result of the strike bullion recovered was reduced. With the settlement of the labor difficulties, return to normal earning basis should be seen."

A lot, of course, depends on the market for mud.

* * *

Mining Chair for Manitoba?

SPEAKING recently at Winnipeg, Sydney E. Smith, youthful president of the University of Manitoba, deplored the lack of a mining and engineering department at that University. The establishment of such a course would cost about $25,000 he estimated.

At the present time, Manitoba's rapidly growing mining areas are dependent largely on men from Queen's, McGill and University of Toronto. The province has, in the last two or three years, become a mineral producer of considerable importance. The establishment of a chair in mining at the university would be a fitting recognition of this very tangible growth.

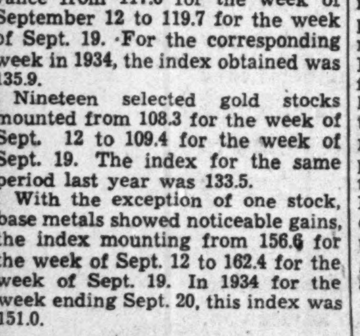
* * *

Index of Mining Stocks

APPRECIABLE strength in prices of 23 mining issues during the past week caused the index to advance from 117.6 for the week of September 12 to 119.7 for the week of Sept. 19. For the corresponding week in 1934, the index obtained was 135.9.

Nineteen selected gold stocks mounted from 108.3 for the week of Sept. 12 to 109.4 for the week of Sept. 19. The index for the same period last year was 133.5.

With the exception of one stock, base metals showed noticeable gains, the index mounting from 156.6 for the week of Sept. 12 to 162.4 for the week of Sept. 19. In 1934 for the week ending Sept. 20, this index was 151.0.



SEE MARGIN FOR DIVIDENDS TECK-HUGHES

Pre-report Estimate Shows About 47 Cents Award

TOLL OF TAXES

Last Quarter of Fiscal Year Expected to Boost Figures Above 40-cent Dividend

While no official information is available, it is believed that the annual report of Teck-Hughes Gold Mines for the year just ended will show annual dividend requirements of 40 cents per share earned by a comfortable margin. On the basis of a net profit of $1.6 millions in the first nine months of the fiscal year, earnings for the full year are estimated at $2.3 millions. This is equivalent to about 47 cents per share. The company's year ended Aug. 31.

Net profits in the first nine months of the year were estimated by the company in an official statement in July at $1.6 millions, or 34.6 cents per share. In the third quarter, earnings were equivalent to slightly more than 10 cents per share. Improvement, however, should be shown in the final three months of the fiscal year through removal of the bullion tax on May 31 and resumption of tailings treatment during summer months. These benefits would be offset to some degree by increased corporation taxes. It is not economical to treat these tailings during winter months.

Earnings of 47 cents per share in the fiscal year just closed will show a sharp drop from the 1934 fiscal period when net profit was equivalent to 63 cents per share. A number of factors have contributed to this decline, the most important of which are lower production, increased taxes and higher costs.

Output Declines

In the last annual report, Dr. D. L. H. Forbes, president, stated that decreased earnings from gold production could be expected. He estimated that the limit of depth for profitable mining would be reached sometime within the next three years. In order to prolong the life of the mine and to "obtain the maximum total ultimate profit" the milling rate was reduced from 1,300 tons per day to 1,050 tons per day on Sept. 1, 1934. Dr. Forbes estimated that this would reduce earnings by about 25 per cent. Estimated earnings for the 1935 fiscal period show this prediction to have been correct. In August of this year capacity was reduced by an additional 150 tons to about 900 tons daily.

Increased taxation has also been an important factor in the decrease in earnings in the year ended Aug. 31, 1935. The official statement for the first nine months of the year indicated that provision for taxes, exclusive of bullion tax, would be considerably higher than in the previous fiscal year. For the nine-month period taxes amounted to $273,828 as compared with $224,016 for the year ended Aug. 31, 1934.

Bullion Tax Leaves Mark

In addition, bullion tax took a heavy toll. During the nine months of the fiscal year that this levy was in force it is estimated that Teck-Hughes paid a total of $375,000. In the first three months of the year, however, a credit of $73,000 was shown, being the amount of the 1934 Dominion income tax offset by the bullion tax.

Increased taxes were offset to some extent by the fact that no provision had to be made for building and plant. In the 1934 fiscal year the value of the buildings and plant were written down to the nominal value of $1. Provision for depreciation in 1934 amounted to $253,006.

Grab Samples from N. W. Ont.

From Our Own Correspondent

GOUDREAU, Ont. — When the McCarthy-Webb prospect of Algoma-Summit Gold Mines, Ltd., was visited a few days ago by The Financial Post, ground was being cleared for a new mill building, in line with plans of the operators to install larger capacity. The new site is close to the site for the main development shaft, and the location will permit handling ore direct from underground to the mill with a minimum of expense. Algoma-Summit mine has a pilot mill and some ore has been treated from development as a test, some revenue also accruing. In preparation for an announced 25- to 100-ton mill, electric power has been brought in from the main transmission line of the Great Lakes Power Co., Ltd. New transformers, motors, air compressor, etc., have been delivered and are practically installed. Decision as to the mill to be installed in the larger programme has not been made, but it will probably be one of the Bramor and Morley mills. Officials contemplate an installation of the unit type which can be added to for greater tonnage as the enterprise advances.

Algold Gets New Ore

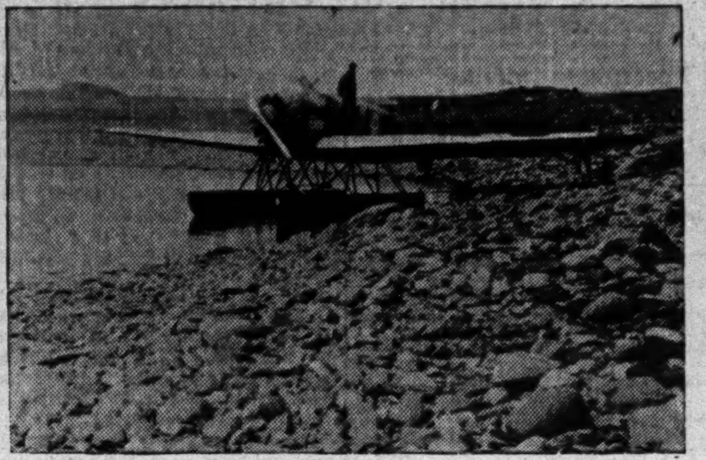
At Algold Mines, Ltd., the former New Goudreau Gold Mines, Ltd., recent development has opened up new ore conditions causing operators to believe earlier development at 100 ft. and 200 ft. was not on the main vein, but on a secondary vein occurrence. Exploration is under way on these two levels. Meanwhile, the mill is being reconditioned and has had a few test runs.

Race For Production

Following a sustained period of development which has opened up ore reserves officially estimated sufficient to supply a 50-ton mill for four years, Wendigo Gold Mines is preparing to enter production late this fall. The operation will then become either the first or second of Lake of the Woods gold mines to achieve production in the new campaigns in that area. Wendigo has purchased the machinery for the mill, and it is expected that delivery will be made in time to allow transport to the property by the water route. With the progress being made in mill erection at the Cedar Island prospect of Kenora Prospectors and Miners, it becomes a toss-up whether this mine or Wendigo will be the first to turn out gold in the rapidly reviving Lake of the Woods and Shoal Lake region.

Power will be supplied by a Diesel engine at Wendigo, an English company having been given the order for a 264-h.p. unit. Meanwhile, a new headframe will be erected. Tests have proved the Wendigo ore to be easily treated, with a 70 to 75 per cent extraction by blankets and amalgamation, with cyanide treatment bringing total extraction up to between 95 and 98 per cent. Including ore on the dumps or developed, Wendigo estimates 60,000 tons of material grading from $12 to $14. Initial mill installation will rate 50 to 60 tons daily.

Nickel and Grub in the Far North



The treeless wastes shown in the above groups of pictures may provide in the future an important source of nickel. The deposits, discovered in 1928 by a prospector employed by Cyril Knight Prospecting Co. Ltd. were recently visited by officials of the latter company and of International Nickel Co., which has been examining the deposits. They are located on Rankin Inlet, on the west coast of Hudson Bay, just south of Chesterfield Inlet. When these deposits were drilled in 1930, the drill bits froze solidly in the holes, despite the fact that it was midsummer. Drill cores, when finally extracted, showed high-grade sections of nickel and copper and satisfactory values in platinum. John Drybrough, who examined the property and described it at the 1931 meeting of C. I. M. M., stated that the deposit was not large, although development would probably enlarge it and might reveal others. The grade of ore, he stated was good, and the high-grade material could be mined and shipped at a profit despite tremendous obstacles of climate and transportation.

The above informal snaps were taken at the time of the recent visit of International Nickel officials. Above, left, the party is sitting down to lunch. In the centre, facing the camera, is J. C. Nicholls, assistant to the president of International Nickel. The picture to the right shows the plane which carried the party into the area. Bottom left, shows the post marking the latitude and longitude. In the centre picture, John Drybrough, a member of the party, is seen examining No. 6 drill hole. The only fixed population of the district are Indians and Eskimos, a group of whom are seen in the right-hand picture, standing near the front entrance of their summer residence.

Gold Price Aids Hydro

Power Business Becomes Profitable in North—Sells to Canada Northern—Lower Power a Boon

The high price of gold and the cheaper price for power in northern Ontario mining camps have allowed many marginal gold mines to operate. This caused an increased demand for power and the Ontario Hydro-Electric Power Commission now expects to report profitable operation by next fall on all its northern Ontario properties as a whole, including the Abitibi Canyon project.

This is a most unlooked for development to commission officials who looked almost with despair on the problem presented to them for settlement a few years ago when the Ontario Government took over the Abitibi Canyon project and finished it. Most mining districts were then well served by Canada Northern Power which gained part of its power from a Quebec development and the various mines were sewed up for long contracts.

But when gold went up to $35 an ounce it made all the difference. Canada Northern found the commission offering to supply cheap power to many marginal companies and putting itself in a position where it could eventually supply cheaper power to many companies was profitable and likely to have a long life as contracts ended. Nesbitt, Thomson & Co., who manage Canada Northern, saw that the pressure on the commission to market its power might eventually make competition untenable on a profitable basis and agreed to take a considerable block of power from the commission for Canada Northern. The private company was offered power at a diminishing rate for the first 20,000 horsepower and a constant rate after that. It works out at a wholesale rate of $22.50 per horsepower and Canada Northern Power can charge the mines $32.50. The commission considers this fair to the company which is asked not to develop any further source of power in Ontario.

Power Rates Drop

The commission therefore has its direct income from the mines plus this money from Canada Northern Power, a little from municipalities and some from paper companies. It is increasing load so quickly that it is estimated there will be enough by next fall to allow it to earn an adequate return on $30 millions of investment and provide something for the sinking fund as well.

Before the competion between Hydro and Canada Northern Power began the price of power was quite generally $50 per horsepower in many sections. It has now come down to $32.50 and new contracts are nearly all being written at that figure unless there are special circumstances. It is claimed that the reduction of these contracts made possible the operation of one third of the gold mines now operating. The commission realizes that it must also get a steady demand based on the needs of the large mines which are profitable and of long life. But unless the price of gold goes back it will more than make ends meet in the North. That is the brightest spot for the moment in the commission's picture.

MINING CORP. GETS GROUP IN BEARDMORE

Options Empire Contact Property Near Northern Empire

From Our Own Correspondent

JELLICOE, Ont.—A further property deal in the vicinity of the producing Northern Empire mine, the former Beardmore gold property, brings Mining Corporation of Canada, Ltd., into exploration in that sector. An option has been arranged for the transfer to Mining Corp. of the prospect which has been under development by Empire Contact Gold Syndicate, following an examination of the property by Dr. Fred R. Burton, geologist. It is understood the agreement provides for Mining Corp. to continue development, and should the prospect respond favorably, form a company for operating the enterprise. In such company unit holders of Empire Contact Gold Syndicate will receive at least 200 shares of a three million share capitalization for each unit of the syndicate.

It is stated that the main vein on the Empire Contact ground is explored over a distance of about 2,-700 ft., and shows an average width of about four ft. Assays are reported fairly consistent, running from $2.60 to $16.80 over mining widths, the vein being regarded as an extension of the Northern Empire ore bodies. Like other prospects in the region, the Empire Contact is close to the Canadian National Railways line from the Lakehead to Long Lac, and power lines of the Ontario Hydro are also close, available for connection should the project advance to the stage where such power would be necessary. From the Nipigon development, the Hydro is providing energy to Northern Empire and Little Long Lac Gold at probably the lowest cost of any mining field in Canada.

High Grade Ore On 150 Ft. Level Springer Group

Sharp gains on the market followed news of healthy ore conditions at the Springer group of Central Patricia Mines Ltd., Patricia producer.

Crosscutting from the shaft on the Springer group, which started early in July, has encountered ten inches of high grade ore on the 150-ft. level. This intersection is about 200 ft. east of the discovery pit, and 150 ft. in depth. Officials of the company inform The Post that drifting on the new ore body will start immediately.

The new discovery is believed to be important, and adds much to the general ore picture of this development, which is substantially ahead of main workings at the rear by Central Patricia operation.

The Springer group, owned outright by Central Patricia, is about four miles from the parent company. It is planned to work this group separately with an individual, smaller mill unit.

Report Newmont Has New Property

From Our Own Correspondent

JELLICOE, Ont.—While official confirmation was not available immediately, it was reported locally that Newmont Corp., sponsors of the Northern Empire enterprise, had optioned the T. A. Johnson property, immediately adjoining Bankfield Gold Mines, Ltd., on the west. Color is given to the report by reason of a visit of Fred Searles, Jr., vice-president of Newmont Corp., who visited the Northern Empire a few days ago.

N.A.M. EXPLORATION DISTRIBUTES ASSETS

To Distribute 511,230 Shares of Both Pickle Crow and Val D'Or Holdings

The long expected announcement of the final winding up of John Hammell's Northern Aerial Minerals Exploration Ltd., and its successor, Northern Aerial Canada Golds Ltd. has been sent to the shareholders of these companies.

Under the plan of dissolution 511,-230 shares of Pickle Crow Mines, promising young producer in the Patricia district of Ontario, are to be distributed to shareholders of Northern Aerial Minerals Exploration Ltd., while all the other assets of the two companies are to be turned over to Val D'Or Mineral Holdings Ltd. The entire issued capitalization of the latter company, which is 511,230 shares, is also to be distributed to shareholders of Northern Aerial Minerals Exploration.

Preference shareholders of Northern Aerial Minerals Exploration will be entitled to 10 shares of Pickle Crow Gold Mines and 10 shares of Val D'Or Mineral Holdings Ltd. for each preference share held. Common shareholders of N. A. M. E. will receive one share of Pickle Crow and one share of Val D'Or for each share held.

While Northern Aerial Canada Golds purchased all the assets of N. A. M. E. in 1933 the distribution of its shares to N. A. M. E. shareholders was never carried out. All the issued capital stock of Northern Aerial Canada Golds is held by N. A. M. E. so that the shares of the former company do not have to be taken into consideration although it is the owner of the Pickle Crow and Val D'Or shares to be distributed.

Included in the assets of Val D'Or Mineral Holdings Ltd. are 101,264 shares of Pickle Crow Gold Mines, 500,000 shares of Yukon Border Placer Golds, 1,100,002 shares of Stabell Lake Gold Mines, 200,000 shares of Gale Gold Mines, 68,667 shares of Belcher Island Iron Mines and 40 units of Newfoundland Exploration Syndicate. In addition the company owns or has an interest in a large number of mineral claims.

ORE AT McMILLAN GIVES INDICATIONS OF DEPTH MERITS

Main Vein Cut in Station at 750-ft. Level

Although over-emphasized in some quarters as a new ore body, the strike made while cutting the station on the 750-ft. level at McMillan Gold Mines, in the Sudbury area, is the downward extension of the main vein, officials of the company inform The Financial Post.

Assays and widths will not be known until later in the week. The winze from the 625-ft. level, being sunk to 875 ft. was put down on the main vein, which dips slightly out of the winze. Accordingly the occurrence, which officials of the company knew was there, was cut in the station at 750 ft. Drifting on this body will not start until the 875-ft. objective is reached.

Although officials of McMillan, who adhere to a conservative policy regarding news from the property, were anxious to moderate over-emphasis on this development, the report that this was a new discovery caused quite a flurry in the stock.

Although over-emphasized, through no apparent fault of McMillan officials, it is generally conceded in informed circles that definite evidence of the downward extension of the main vein is of considerable importance to the future of the company.

August Production

In submitting his report for the half year ended June 30, 1935, James G. MacGregor, consulting engineer, recommended that the workings be deepened by 200 ft., being of the belief that the future of the mine depended upon the re-occurrence of favorable ore conditions below the 625-ft. level. If widths and values at depth stand up under testing, it will go far to justify the recommendations of the engineer. Results will be known in a few days.

Bullion produced during the month of August totalled 538 ounces, valued approximately at $18,830, as compared with 594 ounces in July, worth about $20,700. The decrease is accounted for by the fact that ore of a lower grade was milled.

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KIRKLAND LAKE GETS RESULTS UPPER LEVELS

Company Starts Development of Unworked 12th Level

Like most of the big-time Canadian gold producers, Kirkland Lake Gold Mining Co. is finding gratifying "pickings" in the upper levels of the mine, thought worked out when gold was at $20.67 per ounce.

In conversation with V. H. Emery, managing director, The Post learned that cleaning up the stopes on the bottom levels, around 5,400 ft., is still continuing, although nearing completion. The company is adhering to its policy of concentrating on the upper levels in a sort of "mopping up" process.

The stope started from the 13th level has reached the 12th level, previously undeveloped. The company is now developing the 12th level from the shaft, and the values reported in the daily press as having been encountered on the 13th level, have in reality been encountered on the 12th level. It is known that the main break crosses the 12th level only a short distance from the shaft.

The company is seeking to clean up the stopes on the bottom level because timbers do not last forever, and it is considered economical to work out the stopes now.

While Kirkland Lake makes no attempt to estimate ore reserves, it is known that ore developments since the annual report in March have been encouraging, particularly in the upper levels between the 7th and 13th levels.

Exchange Lists Arntfield Gold On Mining Board

Shares of Arntfield Gold Mines, Quebec's most youthful gold producer, have been called for trading on the mining section of the Toronto Stock Exchange. The ticker abbreviation, will be AM.

Brought into production on July 29 with a 125-ton mill the company's output is currently running at about $42,000 monthly, according to the listing application. Expenses approximate $22,000 per month, leaving a profit of $20,000. The company recently poured its third brick.

Millfeed at the present time is being drawn from No. 3 ore body on the 250-ft. level and from stoping on the 375 horizon, where a length of 150 ft. has been slashed, with ore grading .34 ounces.

The company's buildings, plant and equipment are valued at $250,-000. Its property consists of 1,830 acres in Beauchatel twp., Quebec, about 13 miles from Noranda.

Of an authorized capitalization of 3,000,000 shares of $1 par value, 2,-729,780 shares have been issued. Of the issued amount, 1,110,000 shares were paid to Arntfield Mining Syndicate, vendors of the property. At the present time there is an option outstanding on 30,000 shares at 70 cents per share expiring Jan. 2, 1936, and 12,140 shares at 70 cents per share, expiring Jan. 31, 1936.

Murray Algoma Prepares To Explore Underground

From Our Own Correspondent

HAWK JUNCTION.—Murray-Algoma Mining Co., Ltd., in the Michipicoten field has recently arranged for delivery of machinery. The power line is cut from the near by transmission lines of Great Lakes Power Co., Ltd. The property lies but a mile and one-half from the main line of the Algoma Central Railway at Hawk Junction, and has been developed privately by a group of Toronto and Sault Ste. Marie men for a couple of years. Surface work has opened up a break in which commercial gold values are indicated. Diamond drilling has confirmed the original discovery, following sampling carried out in recent weeks by G. J. Lamb, formerly district engineer for the Department of Northern Development.

TEXAS-CANADIAN OIL HAS 43 PRODUCERS

Reports Daily Production of About 700 bbls. of Crude

Texas-Canadian Oil Corp., a Canadian company with properties in the East Texas oil fields, reports that production is now at the rate of about 700 barrels a day, after deducting all working interests and royalties. At the present time 43 wells are producing crude oil. The development programme of the company calls for 54 producing wells by Oct. 31, and possibly 60 by April, 1936.

Texas-Canadian, which has an authorized capitalization of one million shares, all of which are outstanding, is officially expected, in 1936, to be on a dividend basis. For the fiscal year ended April 30, 1935, the company earned the equivalent of 1.67 cents per share. At the time the report was made public the company had 30 wells in production. Current liabilities at that time exceeded current assets by $8,407. In addition, there were deferred liabilities of $48,443, payable in monthly installments during the current year.

Expanded production during the current fiscal year will be of sufficient extent to pay off these liabilities, however, officials believe, and leave a surplus for dividends. Gen. A. D. McRae, president of the company, told shareholders at the annual meeting last June that a dividend of from eight to ten cents per share would be possible in 1936.

In addition to the East Texas properties, the company owns an interest in leases on 2,100 acres in the Dickisch Gulf Coast Oil fields, of Texas.

Mongolian Pheasants

It has been reported at Fredericton, N.B., that success has been achieved in the propagation of the Mongolian pheasant, in this district, and that, this season about 1,000 eggs have been distributed

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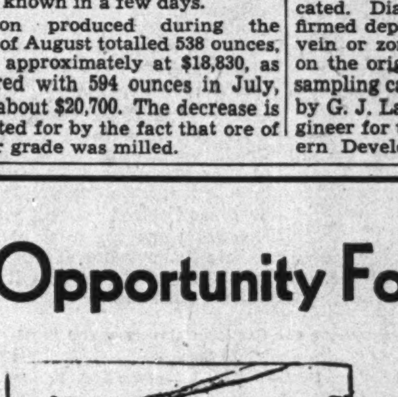
Opportunity Follows the Trail of '35



Dr. Camsell, Deputy Minister of Mines, has just recently completed an aerial inspection tour of the Far North—making a 4,000 mile journey in 16 days over the long trail it had taken him years to cover three decades ago.

In this area new mining opportunity lies and Canada, with the aeroplane's help will continue to progress even more spectacularly in mining development.

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GABRIELLE MAY SELL PROPERTY TO SAN ANTONIO

San President Confirms Rumors of Purchase

SHARES ONLY

Deny Forty Four Mines Involved in Important Manitoba Deal

J. D. Perrin, president of San Antonio Gold Mines, in the Rice Lake area of Manitoba, has confirmed to The Financial Post the fact that negotiations are under way between San Antonio and Gabrielle Gold Mines, adjoining property, which may result in a merger and unification of operations.

Mr. Perrin queried by The Post's Winnipeg correspondent, spiked reports that San Antonio was to acquire the adjoining Forty Four Gold Mines, by stating emphatically: "There is no deal in sight and none in contemplation regarding Forty Four, rumors to the contrary notwithstanding."

To The Post, Mr. Perrin explained that Gabrielle Mines had approached San Antonio officials, and made a proposal regarding taking over the property. San Antonio made a counter proposal, offering a straight 75,000 shares of the latter company for the property.

To Meet Oct. 10

After consulting large stockholders, Gabrielle directors signed the agreement, subject to ratification by shareholders. San Antonio directors also signed, having power to conclude the deal. Gabrielle shareholders will meet October 10 at a special meeting prior to the adjourned annual meeting to consider ratification of the proposal.

Although no official word had been forthcoming up to the time Mr. Perrin made his statement in response to a Post query, garbled rumors of the merger had hit the street late in the week. Taking the short term view, shareholders of San Antonio, apparently fearing the dilution resulting from wider distribution of the stock, tended to liquidate, with the result that San Antonio stock was depressed on the market. Those observers who are acquainted with the two properties involved, however, are inclined to welcome the proposed deal, as being, in the long run, of benefit to both concerns.

The Gabrielle property was staked at the same time as San Antonio, by E. A. Pelletier, who named the properties after his patron saint and a friend in Montreal. That was in 1911. From April, 1935, until July, 1935, International Mining Corp. spent about $30,000 on development. Inconclusive results caused International Mining to cancel its options, although it was stated that reports of the company's engineers were not unfavorable. Since that time, the property has been idle, the workings kept free of water.

San Antonio has a capitalization of $2.5 millions, in $1 par value shares. At last report $2,240,238 were outstanding, so no capital re[illegible] would appear to be necessary if the company is to pay out 75,000 shares for the Gabrielle property.

Gabrielle, of an authorized capitalization of $2 millions, $1 par value has only about $824,765 shares outstanding.

LEBEL ORO MINES LISTS NEW SHARES EXPANDS ACTIVITY

Drilling from First Level Gives Encouraging Results

The new shares of Lebel Oro Mines were posted for trading on the mining section of the Toronto Stock Exchange on Sept. 26 and the old shares removed from the list. The Exchange has ruled that new shares will be good delivery on outstanding transactions on the basis of one new for three old.

On Sept. 12, Lebel Oro received supplementary letters patent reducing its capitalization from three million to one million shares. The authorized capital was then increased to three million shares of $1 par, the old shares being exchangeable into new on the basis of three for one.

In the new listing application, Lebel Oro states that the equivalent of 320,586 new shares were issued for the property and 679,293 was the equivalent number of shares sold for cash. A total of 2,000,127 shares remain in the treasury.

To Expand Operations

A despatch from The Financial Post's correspondent in Sudbury indicates that operations of the company at its Long Lake property are to be enlarged in the near future. A new assay plant is on its way to the property and a second diamond drill has been purchased to supplement the one already at work A generator is being hooked up to the Diesel engine so that dewatering of the shaft can be speeded up.

Officials of the company are reported to be enthused by the results of the diamond drilling programme. What is believed to be the main orebody, reported in last week's Financial Post to have been cut by drilling from the first level, is now stated to be 42 ft. wide and about 100 ft. deep, with length so far undetermined. Assays show the average value to be $9.05 per ton. The additional drill will be used to further prove up the extent of the deposit.

F. W. Rohwer, mining engineer, with wide experience in Western Canada, Colorado, Ecuador and Venezuela, has been engaged as general superintendent of the company's operations. He is expected to arrive at the property to take over his duties before the end of the month.

Falcon Gold Starting On Beckley Property

From Our Own Correspondent

SUDBURY.—With a mining plant installed, and camps and other mine buildings constructed, Falcon Gold Mines, the new company incorporated by South Tiblemont Mines and the Beckley interests, is expected to begin operations in a few days at the Beckley property, in Falconbridge twp., near Sudbury.

South Tiblemont, having fulfilled the conditions of its option agreement with the Beckley interests, in exploration, and having encountered ore conditions favorable enough to warrant further development, has formed the subsidiary company referred to, which will sponsor the prospective operations. The existing 46-ft. shaft, which was sunk by former owners some years ago, will be dewatered and deepened, and two levels, at 100 and 200 ft., opened up. It is believed that less than two months will be required in sinking and lateral work to enter the ore deposit proved up by diamond drilling.

Mining Reports

Hixon Creek Gold

Hixon Creek (Cariboo) Gold Ltd., developing a placer property in the Cariboo district of British Columbia, reports working capital of $11,929 as at July 31, 1935. Current assets are shown in the balance sheet of that date at $14,343 as against current liabilities of $2,414.

Deferred liabilities, payable out of gold recoveries, total $5,000.

The company has an authorized capitalization of 50,000 preference shares of $1 par, all of which have been issued, and 1,900,000 ordinary shares of 50 cents par value of which 1,456,103 shares have been issued. Preference shares are redeemable at $1 per share by appropriation of 15 per cent of the gross proceeds of all gold mined and recovered from leaseholds now held. A total of 265,000 shares is under option.

The company expects to be in production at an early date, The Financial Post is informed. Leases have been explored on the surface and by the sinking of shafts. Values obtained run from 20 cents to $2 per yard, the company reports. The company has erected a large dam and about four miles of flume. It is expected that with its present equipment the company will be able to wash about 500,000 yards of gravel per season.

Kerr Lake Mines

Net profit of Kerr Lake Mines in the fiscal year ended August 31 last was down sharply from the previous year, amounting to $444 as against $24,383 in the year ended August 31, 1934.

Lower earnings for the year reflect lower income from its investment in Rimu Gold Dredging Co. in New Zealand. During the year Rimu Gold paid a common dividend of only 1½ New Zealand shillings, equivalent to approximately 30 cents per share, as compared with a dividend of three New Zealand shillings, equivalent to 60 cents per share, in the 1934 fiscal year.

In March last the Rimu Company retired all its outstanding preference shares. This improves the earning position of the 166,672 ordinary shares outstanding of which Kerr Lake owns 95,242 shares.

Lessees continued operations on the Tahoe Silver Mine, owned by the Vipond Silver Mining Co., Utah, in which Kerr Lake Mines has a substantial interest. Some ore was produced by the lessees from which the Vipond Company received a small royalty.

Despite the payment of $120,000 in dividends the balance sheet of Kerr Lake Mines at August 31 showed a strong liquid position, cash and United States Government securities totalling $80,992. At the end of the previous fiscal year cash on hand amounted to $158,699.

During the year the company wrote down its investment in its subsidiary, Kerr Lake Mining Co., from $2,400,000 to $150,000. This was effected through a reduction in capital of Kerr Lake Mines from $2.4 millions to $1.8 millions by reducing the par value of the shares from $4 to $1 each, and by writing off $450,000 from surplus.

Income and Surplus Account
Years Ended Aug. 31

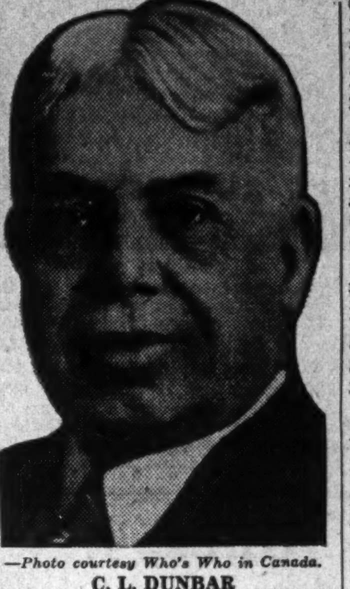
	1935	1934
	$	$
Revenue:		
Dividends & interest	34,899	61,466
Profit on sale of secs...	......	634
	34,899	62,100
Less expenditures:		
Admin. & gen. exps...	29,396	26,591
Taxes	3,991	4,152
Mines examinations ..	1,068	3,627
Bad accts. w/o	......	3,346
Net profit	444	24,383
Less dividends	†120,000	......
Surplus for year	119,666	24,383
Add: Previous surplus..	662,267	677,185
Profit on Rimu pref. shares‡	6,667	......
Apprec. in val. of secs.	4,125	......
Less: W/o shs. Kerr Lake Mining Co.	*450,000	......
Devaluation of secs. ..	......	39,300
Balance carried forward	103,504	662,268

†Deficit.
‡Profit on retirement of Rimu Gold Mining Co preference shares.
*Consists of write-down in shares of Kerr Lake Mining Co. from surplus. Total write-down amounted to $2,250,000 of which $1,800,000 was effected by reduction in share value from $4 to $1 on 600,000 shares of Kerr Lake Mines.

Charles Lawrence Dunbar

Page-Hersey's Third President in Three Months—An Old Friend of Predecessors—Fisherman, and Philanthropist

By WELLINGTON JEFFERS



—Photo courtesy Who's Who in Canada.
C. L. DUNBAR

Page-Hersey Tubes, Ltd., got its third president within three months when Charles Lawrence Dunbar, K.C., of Guelph, was elected on September 20. The other two were respectively, Wallace W. Near and Hon. H. C. Scholfield, who died within two months of each other.

All three were close friends and comrades; all three had been on the board of the company and intensely interested in its fortunes from the early days in Guelph when Page-Hersey got the happy idea to induce the late Wallace W. Near to take over the management of a plant which was then in difficulties, and all three were happy in the relationship which existed until death took Mr. Near on July 12.

Have Under-Studies

Hon. H. C. Scholfield had only a few weeks in the presidency after the death of his friend and now "Charlie" Dunbar must carry on.

To the outsider the loss of two presidents so soon looks like a heavy blow to the company. And it was a heavy blow personally to the insiders but the company will not be vitally affected. These men built too well for that. Each had his under-studies and in a company remarkably free from rivalries or jealousies younger men have grown up to take important places in the conduct of affairs. At every stage care was taken to see that this was not a one-man or even a three-man company. If one had early in 1935 asked Mr. Near or Hon. Mr. Scholfield, or if one asks the new president or any of his fellow directors about the effect of these deaths on the company's future, he would have got and he will get the same answer. "There are at least three men who can conduct the affairs of this company efficiently and successfully."

Mr. Dunbar is a successful and well-known corporation lawyer. He was born in Guelph on April 5, 1870, and his father, Alexander Dunbar, was a lawyer in Guelph before him. His son, Major Angus Dunbar, is also a lawyer in partnership with his father at Guelph in the firm of Dunbar and Dunbar. It was as a lawyer during the infancy of Page-Hersey Tubes that Mr. Dunbar first came into close touch with the late Mr. Near. Hon. Mr. Scholfield was a banker and the both of them—banker and lawyer—found the company and its manager so well worth while that within a few years they swung into its orbit. Mr Scholfield quit banking for tubes but Mr. Dunbar simply added to the duties of lawyer those of director and adviser.

The Trout Know Him

Those who are members of the Caledon Mountain Trout Club know all about Mr. Dunbar. They made him its president. The many hundreds of prominent Canadians who have been at one time or another guests at that club will also recall a man of middle height, stout, outspoken, energetic. They would not call him "100 per cent" this or that. They would say he was "110 per cent" because he could not contain all the vim, good humor, jollity, raillery that appears to be continually welling up. These things boil over all the time with this man and are a potent part of the atmosphere of hospitality and cheery welcome found everywhere about that famous club.

No one in the club loves fishing more than its president does. Wallace W. Near loved it as much. That common passion was a new cement to their friendship. Mr. Near had his own trout stream stocked by himself and the two could have collaborated in producing a Canadian sequel to Izaak Walton's "The Angler." Trout would have had first place in such a book. The late Mr. Near's will shows that he left all his fishing tackle to Mr. Dunbar. That bequest in itself speaks volumes.

Golf comes second to fishing as a recreation in the affections of Charles L. Dunbar but that does not mean he does not like it. He is a member of the Guelph Golf and Country Club. He also belongs to the Guelph Priory.

Was Alderman Once

Mr. Dunbar has been too busy to take much part in public life so far as the holding of office is concerned. He was called to the bar in 1893 and found time in 1899-1900 to act as alderman in Guelph. He was partner with the late Judge McMillan until 1910 and then formed his present firm.

The families of all who went to the Great War from Guelph and district have abundant reason to remember Mr. Dunbar. He was secretary of the Patriotic Fund, Guelph Branch, throughout the war, and he made it his chief business to devote every possible minute to the care of these families in that crisis. One veteran told the writer that Mr Dunbar appeared to approach each family in that period as a friend. Not one felt that it was regarded as a problem.

Two Invaluable Aides

Mr Dunbar and the other directors will have two invaluable aides in H. Rooke, director and vice-president, who has every detail on the financial side of the company's work at his finger's end, and in the new vice-president and general manager, A. Macfadyen. Mr. Rooke only became a director and vice-president on the death of Mr. Near. But as secretary-treasurer he had a very important place in the affairs of the company for many years.

Mr. Macfadyen is not so well known as Mr. Rooke to Torontonians. But he is the man considered to have sufficient expert knowledge to make him able to follow Mr. Near. He was, in fact, with the company on account of Mr. Near's high opinion of his abilities. Before the Great War Mr. Macfadyen was New York manager for the Imperial Export Company and handled a lot of Page-Hersey business. In that position he became familiar with all sides of the export business and particularly of selling tubes.

Great Training Ground

During the war Page-Hersey Tubes, Ltd. bought the Cohoes Rolling Mills in order to assure the parent company, Page-Hersey Tubes, a constant and sure supply of skelp. After the war the business of Cohoes Rolling Mills had to be placed on a different footing. He induced Mr. Macfadyen to undertake the job of diversifying its products. By adding conduit pipes and other products the company with Mr. Near as president and Mr. Macfadyen as general manager turned from a possible liability into a real profit-making concern. Mr. Macfadyen until this summer has been with Cohoes Rolling Mills all the time since then. He had far more difficult problems to work out there than he would have had if he had been with the parent company in Toronto. That was recognized by the directors and that was why he was brought to Toronto as soon as Mr. Near died.

Page-Hersey Tubes will therefore survive its recent losses triumphantly in the opinion of competent judges. But the sense of loss is sharp on the board and in the office because friendship had cemented the relations of directors and officers of this company to an extent that is almost unique in Canadian joint stock company annals.

New Alignment Of Page-Hersey

Following the death of Hon. H. C. Scholfield, former president of Page-Hersey Tubes, Ltd., the directors of the company made the following appointments as officers of the company:

President—C. L. Dunbar, K.C., Guelph.

Vice-pres.—A. W. Holmested, K.C., Toronto; H. Rooke, Toronto; A. Macfadyen, Toronto.

General manager—A. Macfadyen.

Secretary-treasurer—W. P. Bayley, Toronto.

TURNER ACTIVITIES PROVE UNDAUNTED BY POLITICAL TURN

New Ventures Reach High Level Despite Pre-election Rumors

From Our Own Correspondent

CALGARY.—Charles W. Dingman, nephew of A. W. Dingman of Calgary who drilled the discovery well in Turner Valley, has been appointed director of the petroleum and natural gas division of the department of lands and mines by Hon. C. C. Ross, minister of that department in the Social Credit government.

Mr. Dingman is a geologist. At one time he was assistant to Frank P. Fisher, American oil expert, who acted as technical advisor to the Turner Valley Gas Conservation Board.

Election of a Social Credit government has failed to put a damper upon oil field activity in the province as was predicted during the election campaign by various speakers. On the contrary there is an unusual amount of activity.

Royalite to Drill

The Royalite Oil Co., Imperial subsidiary, has commenced the drilling of Royalite No. 27 in the north end of Turner Valley near the Royalite No. 26 well which came in as a large naphtha producer to the surprise of oil men several months ago. It was drilled in an area, long neglected, and considered not very promising. Royalite No. 27 will be an offset to the Model No. 3 well now being drilled in the adjoining section.

In other Alberta fields, as predicted by Hon. C. C. Ross, capital is to be made available for further tests of wildcat structures in the hope of locating the long sought crude pool which most geologists believe awaits discovery somewhere in the province.

Clinch Petroleum, a Vancouver concern, is planning to drill on South Twin Dome or at Del Bonita or to put wells down on both structures. Globe Royalties, a Calgary concern, has a derrick up at Aldersyde and is apparently awaiting results at the Ranchmen's well. Royal Canadian, another Vancouver company, is planning to drill at Del Bonita. Gem Dome has a derrick up for the test of a structure which extends into Alberta near Wash in the extreme south of the province. The well will be drilled, however, on the Saskatchewan side of the boundary.

Much Wildcatting

Wildcat structures being tested at the present time in Alberta include Hunter Valley, west of Olds; Aldersyde, south of Calgary; Western structure, south of Turner Valley; Pekisko Hills, south of Turner Valley; Waterton Lakes structure in the extreme south of the province; Moose Dome, west of Calgary; and the Comrey structure, near Coutts in the extreme south of the province.

In Turner Valley, interest is still centred on the Renfrew Royalty, British Dominion and Union-Freehold wells, all of which are down to horizons where production may be expected in the near future.

Considerable interest was aroused in Calgary by news that the No. 2 well of the Colony Oil and Gas Co. had a strong flow of gas. It is located near the No. 1 well, one of the largest dry gas wells in Canada, on the Lloydminster structure, on the Saskatchewan side of the border. The new strike considerably enhances the feasibility of piping gas to Saskatoon.

Mining Stock Quotations

(Transaction for Week to September 21)

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	.74	.38	Afton	35,200	.70	.70	.58	.60
No	.11	.04	Aldermac	3,100	.07	.06	.05	.05
1	.02½	.01	Alexandria	7,000	.01½	.01	.01	.01
No	.57	.40	Algold	......	.40	.....	.....	.....
No	.08½	.02½	Algoma	10,000	.03½	.03½	.03	.03
No	4.50	3.70	Anglo-Huronian	20	4.00	3.85	3.85	3.85
No	.04	.01½	Arno	460	.01½	.02	.01½	.01½
1	.32	.06½	Ashley	8,000	.09	.10	.08½	.09½
1	.08	.02½	Astoria Rouyn	5,600	.03½	.03	.02½	.02½
1	.14	.03	Bagamac	19,140	.04½	.04½	.04½	.04½
1	.08	.02½	Barry Hollinger	53,270	.05½	.05½	.05½	.05½
1	.94	.23	Base Metals	69,125	.36	.37	.26	.31
1	1.06	.14	B.E.A.R.	158,150	.63	.65	.57	.65
No	2.16	1.27	Beattie Gold	450	1.50	1.53	1.40	1.40
1	.75	.30	Big Missouri	27,973	.47	.58	.49	.51
1	.33	.18	Bobjo	24,100	.26	.26½	.21	.21½
No	12.50	4.30	Bralorne	713	4.50	4.60	4.45	4.51
1	.61	.20	Brazil Gold	7,700	.42	.43	.37	.40
1	.03	.01½	Brett Tretheway	2,000	.02	.02	.02	.02
50c.	.24	.07	Bridge River Ex.	2,800	.10	.11	.10	.11
1	.03	.01	Brownlee	7,500	.01½	.01½	.01½	.01½
1	3.50	2.40	Buffalo Ankerite	1,800	2.75	2.61	2.50	2.50
No	.03½	.01	Buffalo Can.	500	.01½	.01½	.01½	.01½
5	38.15	33.00	Bulolo Gold	250	32.50	33.50	32.50	33.50
No	.08	.03	Bunker Hill	10,900	.07	.07	.06	.06
1	.03½	.01	Can. Kirkland	21,000	.01½	.01½	.01½	.01½
No	.75	.54	Can. Marlartic	6,125	.64	.64	.57	.58
1	1.50	.95	Cariboo Gold	800	1.06	1.05	1.00	1.05
1	.05½	.02	Cartier Malartic	4,500	.02½	.02½	.02	.02
1	1.35	.55	Castle Trethewey	19,225	.99	.97	.86	.86
1	.07½	.02½	Cen. Manitoba	9,000	.05	.05½	.04½	.04½
1	1.83	1.12	Cen. Patricia	108,680	1.78	1.92	1.61	1.87
No	.27	.08	Chibougamau Pros.	25,000	.16½	.17	.14	.15
No	.06½	.03	Church M. & Mill	1,100	.04	.04	.04	.04
No	.05	.02	Clericy	57,000	.04½	.04½	.03½	.03½
5	3.25	1.50	Coast Copper	40	2.50	2.50	2.15	2.15
1	.08	.01½	Cobalt Contact	8,000	.02	.02½	.01½	.01½
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.50	Coniagas	200	2.50	2.50	2.50	2.50
No	2.60	1.35	Coniaurum	3,022	1.70	1.70	1.60	1.60
25	184.75	125.50	Cons. Smelters	2,516	174.00	174.50	168.00	170.00
No	44.00	34.50	Dome Mines	2,235	41.00	41.75	40.60	41.75
1	.10	.04	Dom. Explorers	2,875	.06	.05	.04	.04
1	.17½	.06½	Duparquet	14,150	.10½	.10	.09	.09
1	2.93	1.02	Eldorado	16,325	1.50	1.45	1.30	1.36
No	4.52	3.25	Falconbridge	11,511	4.30	4.45	4.10	4.10
1	.04½	.02	Federal	6,000	.02½	.02	.02	.02
No	.16½	.05	Francoeur Gold	1,200	.07	.07	.07	.07
1	.40	.05	Franklin Gold	169,930	.10½	.10	.05	.05
1	.45	.09	Gabrielle	4,950	.20	.20	.18	.19
No	.03½	.01	Gilbec	77,500	.01½	.01½	.01	.01½
No	2.24	1.24	God's Lake	70,177	1.74	1.75	1.45	1.59
1	.20	.11	Goldale	3,900	.13	.12	.11½	.11½
50c.	.46	.25	Gold Belt	100	.25	.25	.25	.25
10	.19	.10	Goldfield	100	.12	.13	.13	.13
1	.15	.04	Goodfish	1,100	.08	.08½	.07	.07
1	.07	.02	Graham Bosquet	1,000	.03	.02½	.02½	.02½
1	.40	.17	Granada Gold	21,235	.29	.30½	.26½	.30½
No	.12	.05½	Grandora	2,500	.06	.05½	.05½	.05½
1	.45	.17	Greene Stabell	2,600	.20	.20	.20	.20
1	.05	.02½	Grozelle	......	.02½	.....	.....	.....
1	.10	.04½	Grull Wihksne	......	.04½	.....	.....	.....
1	.97	.48	Gunnar Gold	13,450	.69	.68	.61	.63
1	.08½	.02	Halcrow Swayze	2,000	.02	.02	.02	.02
1	.10	.04	Harker	4,800	.04½	.05	.04	.05
5	20.25	12.55	Hollinger	7,889	13.75	13.85	13.00	13.00
1	1.10	.65	Howey Gold	6,975	.68	.70	.60	.60
No	17.25	11.50	Hudson Bay	3,880	17.25	17.50	16.85	17.50
1	15.35	11.95	Inter. Mining	......	12.50	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.25	22.25	Int. Nickel	54,647	30.80	31.60	29.15	30.00
100	130.75	125.00	Do., pref.	......	125.00	.....	.....	.....
1	.20	.10	J. M. Cons. Gold	23,110	.13½	.13	.10	.10
.	.75	.45	Kerr Lake	70	.50	.55	.50	.55
1	.31	.20	Kirk. Hud. Bay	1,500	.23	.25	.25	.25
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.62	.33½	Kirkland Lake	12,800	.39	.39	.37	.39
1	.33½	.12½	Kirk. Townsite	3,800	.14½	.18	.17½	.18
No	.07	.02½	Lake Maron	1,400	.02½	.02½	.02½	.02½
1	58.00	47.25	Lake Shore	1,847	50.40	50.50	49.75	49.75
1	.08	.02½	Lamaque Contact	50	.03½	.03½	.03½	.03½
1	.09½	.03	Lebel Oro	65,830	.04½	.05	.04½	.04½
1	.08	.02½	Lee Gold	19,500	.03½	.03½	.03	.03
No	7.25	4.25	Little Long Lac	25,762	5.50	5.85	5.20	5.35
1	2.75	1.31	Macassa	52,015	2.42	2.51	2.26	2.41
1	.03	.00½	Malrobic	2,000	.01	.01	.01	.01
No	.10	.05½	Mandy	500	.10	.09	.09	.09
No	.12½	.03	Man. & Eastern	14,200	.06	.06	.04½	.04½
1	.14	.03	Maple Leaf	23,100	.03½	.03½	.03	.03½
5	46.00	36.25	McIntyre	805	39.00	39.50	38.25	39.50
1	1.45	1.06	McKenzie R.L.	23,159	1.16	1.18	1.07	1.10
1	.70	.40	McKinley	......	.40	.....	.....	.....
1	.46½	.07½	McMillan	60,600	.09	.13	.08	.12½
No	2.15	.45	McWatters	48,270	1.57	1.65	1.45	1.54
1	.40	.10	McVittie	3,700	.15	.15	.14	.14
No	1.50	.85	Mining Corp.	2,125	1.20	1.15	1.10	1.15
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	5,500	.02	.02	.01½	.01½
1	.16	.09	Moneta	1,100	.10	.10½	.10	.10
1	.79	.49	Morris Kirk	10,950	.76	.75	.70	.70
1	.01½	.00½	Murphy	1,400	.01	.01	.00½	.00½
No	.04	.01½	Newbec	12,500	.02½	.02½	.02½	.02½
1	.04½	.00½	Night-Hawk Penn.	......	.01	.....	.....	.....
5	2.95	2.10	Nipissing	4,995	2.16	2.25	2.15	2.17
No	43.00	31.00	Noranda	17,519	39.25	40.15	38.25	39.00
No	.31	.16	Nor. Canada	1,500	.20½	.22	.20	.20
1	.75	.30	O'Brien	17,600	.36	.42	.36	.40
1	.10	.04	Osisko	......	.05	.....	.....	.....
1	.32	.18	Parkhill	7,700	.22	.22	.20	.20
1	.04½	.01	Pawnee Kirk	8,500	.02½	.02	.02	.02
1	.30½	.16	Paymaster	16,200	.22	.24½	.23	.24
1	.84	.40	Pend Oreille	10,400	.65	.75	.62	.68
1	.83	.55	Perron Gold	16,500	.55	.60	.50	.60
1	.09½	.01½	Peterson Cobalt	7,500	.03½	.03½	.03	.03
1	2.96	2.10	Pickle Crow	57,062	2.50	2.52	2.46	2.52
1	12.25	9.00	Pioneer Gold B.C.	2,016	10.00	10.25	9.40	9.40
1	.06	.03	Porcupine Crown	14,500	.04½	.04½	.03½	.04½
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.35	Premier Gold	8,850	1.75	1.70	1.58	1.59
1	.02½	.01	Preston E. Dome	12,000	.02½	.02½	.02½	.02½
No	3.05	1.25	Prospectors Air's.	1,500	2.50	2.35	2.00	2.35
1	.80	.09½	Quebec Gold	10,500	.45	.55	.40	.40
No	.15	.02½	Quemont	1,500	.03	.05	.05	.05
1	.98	.55	Read Authier	41,000	.85	.85	.79½	.80
No	.41	.25½	Red Lake	24,700	.28	.28	.26	.26
1	1.67	.81	Reno Gold	2,800	.89	.90	.83	.85
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.00½	Ritchie	1,000	.01½	.01½	.01½	.01½
1	.09½	.02	Robb Montbray	104,400	.08	.08½	.07	.07
1	.10½	.04½	Roche Long Lac	10,000	.05	.05	.04½	.04½
1	5.30	3.05	San Antonio	7,670	3.18	3.20	3.05	3.05
50c.	1.25	.54	Sheep Creek	1,200	.85	.80	.76	.80
1	1.00	.45	Sherritt Gordon	31,324	.85	.87	.75	.77
1	3.29	2.49	Siscoe	48,485	2.50	2.82	2.60	2.60
1	4.60	3.30	South Amer. Gold	......	3.80	.....	.....	.....
No	.15	.02½	South Tiblemont	194,400	.02½	.04½	.03	.03½
No	.32	.13½	Stadacona	25,200	.25	.25½	.21	.23
1	.39	.14½	St. Anthony	11,100	.22	.23	.18	.18
No	1.74	1.25	Sudbury Basin	6,885	1.60	1.65	1.55	1.53
1	.11	.04½	Sudbury Contact	1,500	.04½	.04	.04	.04
1	.07½	.03	Sudbury Mines	2,000	.04½	.04½	.04½	.04½
1	.89	.35	Sullivan Cons.	23,173	.68	.71	.65	.67
1	2.70	2.00	Sylvanite	9,015	2.30	2.35	2.20	2.23
1	.67	.25	Tashota	4,300	.32	.34	.31	.34
1	4.70	3.67	Teck Hughes	15,442	3.95	4.00	3.91	3.99
1	.02½	.00½	Timiskaming	3,000	.01	.01½	.01½	.01½
1	1.45	1.00	Toburn Gold	1,815	1.10	1.14	1.00	1.10
1	.30½	.10	Towagmac	300	.16	.16	.12	.12
1	.30	.10	Treadwell	......	.20	.....	.....	.....
No	.01½	.00½	Vacuum Gas	......	.00½	.....	.....	.....
No	.32	.02	Vanson Man.	1,000	.03	.02	.02	.02
No	1.07	.80	Ventures	27,950	1.01	1.04	.96	1.00
No	.90	.45	Waite Amulet	1,288	.75	.75	.55	.55
50c.	.24½	.07	Wayside	42,600	.16	.16½	.14	.16
No	.10½	.01½	White Eagle	5,700	.02	.02½	.01½	.02½
1	.07	.03	Wiltsey Coughlan	1,500	.04	.03½	.03½	.03½
1	.07½	.03½	Wood Kirkland	1,500	.06½	.06½	.06½	.06½
No	9.90	7.20	Wright-Hargreaves	3,500	8.25	8.25	7.70	8.00
No	.85	.26	Yankee Girl	4,800	.32	.31	.30	.30
			OIL STOCKS					
No	.26	.17½	Acme Gas & Oil	4,206	.18½	.18½	.18	.18
1	1.06	.30	Ajax	3,400	.45	.43	.40	.41
No	.85	.49	Calgary & Ed.	1,000	.50	.51	.50	.50
1	.09½	.04	Calmont	1,800	.05	.09½	.05	.09½
No	.05½	.03	Common Pete	......	.03	.....	.....	.....
No	.38	.18	Dalhousie	200	.20	.20	.20	.20
No	.12	.05	East Crest	4,000	.07	.07	.05	.05
No	.21	.04	Erie Gas	13,450	.14½	.15½	.13½	.15
No	.35	.08	Foothills	100	.30	.15	.15	.15
No	.80	.49	Home	681	.49	.50	.46	.50
1	.14	.05	Homestead O. & G.	......	.05½	.....	.....	.....
No	.13½	.07	Lowery	900	.07½	.09	.07	.09
No	.27	.16	Merland	2,800	.16½	.16	.15	.15
1	.28	.18	Model	2,000	.27	.27	.26	.27
5	.17	.03	Nordon	12,050	.13	.13½	.08	.12½
No	.07	.03½	Oil Selections	3,000	.04½	.04½	.04½	.04½
No	.06½	.03	Olga Gas & Oil	5,000	.03	.03½	.03	.03
1	.65	.40	Petrol Oil & Gas	......	.60	.....	.....	.....
No	27.00	18.00	Royalite	601	18.75	19.50	18.00	18.00
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	12,400	.77	.88	.80	.85

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 21
1	.02½	.01½	Alexandria	......	.00½	.....	.....	.....
25c	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.10½	.04	Beaver Silver	9,080	.04½	.04½	.04	.04
25c	.02½	.01	Bluebird	......	.01½	.....	.....	.....
No	12.25	4.35	Bralorne	1,479	4.50	4.60	4.35	4.50
1	.08½	.03	Bridge River Cons	6,800	.03½	.03½	.03½	.03½
50c	.24	.07½	Bridge River Exp	21,900	.10	.13	.09	.13
1	.55	.14	B.C. Nickel	71,100	.16	.18	.16	.17
1	1.68	.90	B.C. Silver	1,100	1.25	1.25	1.25	1.25
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
50c	.10	.03	Canadian Rand	......	.03	.....	.....	.....
1	1.50	.95	Cariboo Gold	2,265	1.15	1.08	1.05	1.05
No	14.00	12.50	Coast Breweries	595	15.75	17.00	15.95	16.00
1	.54	.17	Congress Gold	10,600	.20	.25	.20	.20
1	.09	.03	Cotton Belt	......	.09	.....	.....	.....
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01	Dalhousie Mines	......	.00½	.....	.....	.....
No	.95	.20	Dentonia	10,650	.24	.24	.20	.20
No	.06½	.01	Dictator	......	.01	.....	.....	.....
1	.17	.03	Dunwell T.	......	.03	.....	.....	.....
No	.16½	.01	Fairview Amal.	23,000	.08½	.10	.08½	.08½
50	.44	.25	Fawn Mining	......	.25	.....	.....	.....
1	.13	.05	Feheral Gold	3,600	.06	.07½	.06	.06
1	.20	.12	George Copper	600	.16½	.20	.20	.20
50c	.07	.03	George Enterprise	16,800	.05	.08	.06	.07
1	.01	.00½	Georgia River	......	.00½	.....	.....	.....
50c	.06½	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.15	Golconda	2,700	.17½	.17	.16	.17
50c	.45½	.20	Gold Belt	1,500	.24	.21	.20	.20
50c	.19	.07	Gold Mountain	650	.08	.09	.08	.08
50c	.04½	.01½	Grandview	6,500	.02	.02½	.02½	.02½
No	.24	.01½	Grange Mines	17,000	.02½	.02½	.02	.02½
1	.10	.04½	Grull Wihkne	1,500	.06	.05	.05	.05
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c	.26	.18	Hedley Amal.	......	.19	.....	.....	.....
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.03	Home Gold	2,900	.03	.03½	.03	.03
1	.01½	.00½	Independence	22,000	.00½	.00½	.00½	.00½
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	100	.20	.20	.20	.20
50c	1.00	.68	Island Mountain	5,300	1.00	.98	.92	.95
50c	.72	.30	Kootenay Belle	3,800	.30½	.35	.30	.30
25c	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	2,000	.00½	.00½	.00½	.00½
10c	.04½	.01	Lucky Jim	......	.01	.....	.....	.....
No	.41	.07	Mak Siccar	4,800	.11½	.11½	.09	.09
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
10c	.19	.03½	Meridian Min.	17,600	.04½	.04½	.03½	.03½
No	.24½	.05½	Minto Mines	16,100	.06	.06	.05½	.05½
50c	.12½	.03½	Morning Star	29,700	.03½	.04	.04	.04
1	.02	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.06½	.02½	National Silver	1,700	.02½	.02½	.02½	.02½
50c	.17	.05	Nicola	3,800	.09½	.10	.09	.09½
50c	.16	.05½	Noble Five	4,200	.06	.06	.05½	.05½
No	.09½	.01½	Pilot Gold	1,500	.02	.02	.01½	.01½
1	12.50	9.10	Pioneer Gold	110	9.70	9.95	9.60	9.60
50c	.15	.05½	Porter Idaho	2,900	.05½	.05½	.05½	.05½
No	.01	.00½	Premier Border	5,000	.00½	.00½	.00½	.00½
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.05	Quesnel Quartz	200	.05	.06	.06	.06
No	.18	.01	Reeves McDonald	......	.10	.....	.....	.....
1	.39	.25	Relief Arlington	4,900	.35	.35	.34	.35
1	1.62	.81	Reno Gold	6,650	.89	.90	.85	.85
1	.04½	.02	Reward Mining	......	.02	.....	.....	.....
1	.01½	.00½	Rufus Argenta	......	.01	.....	.....	.....
1	.05½	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.18	Sally Mines	5,950	.20	.20	.20	.20
50c	.18	.07	Salmon Gold	6,200	.07	.09½	.08	.09½
50c	1.18	.55	Sheep Creek	10,700	.80	.80	.75	.75
1	.05	.02	Silverado	......	.03	.....	.....	.....
25c	.02½	.00½	Silvercrest	5,000	.00½	.00½	.00½	.00½
20c	.12	.01	Silversmith	2,500	.01½	.01½	.01½	.01½
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.75	.60	Standard Silver	1,200	.52	.55	.53	.55
10	23.75	11.45	Sunshine	......	19.50	.....	.....	.....
No	.32	.15	Taylor Bridge	4,400	.16½	.16½	.15	.15½
1	.20½	.10	Taylor Windfall	500	.14	.10	.10	.10
5	.35	.20	Toric	......	.20	.....	.....	.....
50c	.10	.03	United Empire	......	.03½	.....	.....	.....
No	.61	.13	Vidette Gold	19,100	.27	.32½	.25	.29
No	.06	.01	Viking Gold	......	.01	.....	.....	.....
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c	.01½	.00½	Waverley Tangier	27,000	.00½	.00½	.00½	.00½
50c	.21	.07½	Wayside	20,800	.17½	.17½	.14½	.15
20c	.04	.01	Wellington	9,000	.01½	.02	.01½	.01½
No	.09½	.02	White Eagle	......	.02	.....	.....	.....
1	.14	.04	Whitewater	3,000	.05	.05½	.05	.05½
No	.83	.23	Ymir Yankee Girl	1,000	.31	.31	.30	.30
			OIL STOCKS					
1	.22	.05½	Amalgamated	1,700	.07½	.07½	.06	.07
1	.10½	.05	Alta Pacific	2,560	.06	.06	.05	.06
1	.04	.01	Anaconda	3,000	.01½	.01½	.01½	.01½
No	.05	.01½	Baltac	......	.00½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.03	.....	.....	.....
1	.25	.05	Crow's Nest	13,000	.08	.09	.06½	.06½
No	.03½	.01	Devenish	......	.01½	.....	.....	.....
No	.11	.04	Freehold	3,000	.04	.05	.04½	.05
No	.04½	.02	Hargal	......	.02	.....	.....	.....
No	.15	.08½	High Sarcee	4,200	.10½	.12	.11	.12
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.07	Marjon Oil	5,550	.11	.11	.10½	.11
No	.05	.02	McD. Segur Ex.	......	.02½	.....	.....	.....
1	.48	.35	McLeod	......	.38	.....	.....	.....
No	.14½	.09	Mercury	9,200	.10½	.11	.10½	.11
No	.14	.07	Mill City Pete	......	.08	.....	.....	.....
No	.06½	.03½	Okalta	......	.04	.....	.....	.....
No	.10½	.02	Pacalta Oil	4,000	.03	.02½	.02	.02
1	1.17	.27	Ranchmen's	700	.29	.28	.26	.28
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	100	.20	.18	.18	.18
No	.10	.03½	United	......	.04½	.....	.....	.....
No	.14	.04	Vanalta	2,000	.04½	.04	.04	.04
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.06
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	8.00	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew	92c.	5.75	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	7.50
Dome Mines	$2	4.84	Pioneer, B.C.	80c.	8.50
Falconbridge	7½c.	.....	Reno	12+2c.	14.11
Hollinger	65c.+5c.	4.96	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.48
Hudson Bay†	50c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke	1c.	.....	Sunshine	30c.	.....
Inter. Mining	15c.	.....	Sylvanite	20c.	8.77
Int. Nickel c.	80c.	.....	Teck Hughes	40c.	10.03
Kirk. Lake†	3c.	.....	Toburn	8c.	7.27
Lake Shore	2+50c.	4.00	Wright-Har.	40+5c.	4.92
Macassa	5c.	.....			

†Interim. ‡Initial.

At the Mines

Bear Exploration and Radium—has filed notice with the Toronto Stock Exchange that the pool on 1.7 million shares of the capital stock held by Bear Exploration and Radium Syndicate Ltd., has been extended for one year. The shares will continue in pool until September 1, 1936.

Bidgood Kirkland Gold Mines—The vein being explored on surface to the west of No. 2 shaft has been opened up to a depth of 6 ft. for a length of 2 ft. in one direction, and the outcrop is now being tested in the other direction, officials report. Values are reported to be very satisfactory. The mill is handling 50 tons per day.

Black Gold Mines Makes 500,000 Share Offering

Announcement has been made of the offering of 500,000 treasury shares at 40 cents each by Black Gold Mines in order to finance development of its property at Kirkland Lake, Ontario, which comprises six adjoining gold mining claims, known as the Black and Berry claims.

Practically all of the exploration work to date has been done on the Black claim. It has been diamond drilled from 75 ft. north of the south line to the north line, cutting through seven porphyry trenches and also cutting the Murdock Creek fault, which at 100-ft. vertical depth is 69 ft. wide.

It is estimated that the net proceeds of the current issue will be $150,000. This is to be applied to existing indebtedness, working capital account as at June 22 last showing a deficit of $15,945, and to financing a development programme consisting of diamond drilling, shaft sinking and underground work.

Plans of the company call for further diamond drilling on the system of veins on the Black claim, and some drilling on another vein system on the three southerly claims, and along the Murdock Creek fault. It also plans to sink a working shaft, crosscut to the veins and drift on them at levels to be determined by the consulting engineer.

Metal Prices

New York—Sept. 24—
Copper: Electrolytic spot and future, $9.00.
Silver: 65⅜c.

London—Sept. 24—
(Long Ton)—
Copper: Electrolytic spot, £39 5s; future, £39 10s. Standard spot, £34 12s 6d; future, £35.
Tin: Spot, £225 5s; future, £214 5s.
Lead: Spot, £17; future, £17.
Zinc: Spot, £15 12s 6d; future, £15 15s.
Gold: 141s 6d.
Silver: 29 5/16d.

Canada—Sept. 24—
Gold: $35.22.

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Canada Northern Power Reports Further Progress

From Our Own Correspondent

MONTREAL.—In line with larger earnings, Canada Northern Power Corp., subsidiary of Power Corp. of Canada, reports an increase of 9 per cent in power production last month and 158 new connections made in the previous month.

Power output for August totalled over 49.9 million k.w.h., an increase of 4 million k.w.h., and bringing the total output for the first eight months of the current year to 380 million k.w.h. This is in contrast to 345 million k.w.h. for the same period of 1934, or an increase of over 10 per cent for the period.

Total number of customers on the company's system as at August 31, last, amounted to 15,164, compared with 14,043 as at the end of August last year.

According to an official announcement the Perron Gold Mine will be supplied with hydro-electric power by Canada Northern Power. Work on the construction of a transmission line from the power company's substation to the Perron mine is now under way.

Can. Radio Corp. Sales Up Rogers-Majestic Benefits

Canadian Radio Corp. sales organization for Rogers-Majestic Corp. reports August sales over five times those for August, 1934. July sales were 1.8 times those for July, 1934.

Prices for the radio lines marketed by the Rogers-Majestic organization have stiffened. The significance of this is that the increased sales may, at long last, mean better profits. Sales have been increasing for some time, but profits have not reflected this improvement.

Schreiber Pyramid Gold Mines—reports work on the mill building well advanced, and two 25-ton mill units have been purchased and will be installed immediately, officials inform The Post.

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MILL OF 200 TONS FELT WARRANTED AT CARIBOO GOLD

Further Increase Mooted for B. C. Producer — Report for August

From Our Own Correspondent

VANCOUVER.—Management of Cariboo Gold Quartz announces that sufficient ore tonnage is being developed to warrant further expansion of the mill within the next few months to bring its capacity up to 200 tons daily.

The company completed a recent addition to the mill last month and this was put into operation August 20. The tonnage has been gradually increased and now averages 150 tons daily.

Both Nos. 2 and 3 internal shafts have reached the 1,700-ft. horizon, where stations are now being cut preliminary to the beginning of development on the 1,600-ft. and 1,700-ft. levels from each shaft.

R. Randall Rose, who took over the duties of Fred M. Wells soon after Cariboo Quartz mill was established and who has been serving as general manager, has been appointed managing director. A statement just issued by Mr. Rose states that during the seven months ended Aug. 31 the company has milled 21,950.6 tons, produced 8,287,084 fine ounces, and developed 5,084.7 ft. in shafts, crosscuts, drifts and raises.

Diana Lifts Gold Output From July-August Slump

From Our Own Correspondent

WINNIPEG.—The picture at the Diana Gold Mines has changed considerably within the past month. In July operations ran the company into the red and also the first two weeks in August during which period only 70 ounces of gold was produced. In the last two weeks 248 ounces was produced and production for September promises still better.

The mine has been dewatered to the 750-ft. level. Eight faces are now being worked with night and day crews. On the 375-ft. level an ore shoot has been tapped running into high values over much more than average mining width. An additional ball mill is to be installed with the idea of bringing the present stamp capacity and amalgamation process up to 90 tons per day. The camp generally has been renovated and the crew considerably enlarged.

H. P. Fay, principal shareholder is now in charge of operations.

B. C. Silver Shareholders Approve Premier Merger

From Our Own Correspondent

VANCOUVER.—Final ratification was given here by shareholders of B.C. Silver to the deal whereby the company is to be wound up and shares of the new company are to be issued. The Shareholders receive share for share under the reorganization plan, and 937,156 shares have been allotted for this purpose.

This is a part of the transaction whereby Premier and B.C. Silver Mines, Ltd., combine for joint operation of their properties in the Portland Canal district. Premier will surrender its 38 per cent interest, and the indebtedness of B.C. Silver, amounting to $850,000, is cancelled.

Provision has been made for the immediate commencement of mine development by Premier of the B.C. Silver and Sebakwe ground and for charging the cost or crediting the profits to the new company. Premier, Selukwe, Sebakwe and British Canadian Corporation Ltd., other corporations involved, ratified the deal previously.

Shenango Plans New Unit To Treat Ore from Surface

Jack Owens, in charge of development at the Oba property of Shenango Gold Mines informs The Financial Post that the present programme at the property is aimed at getting out a substantial tonnage of ore from surface to take care of mill requirements during the winter months. It is the intention of the company to install a 25-ton mill unit before the end of the year. While a certain amount of the gold milled will be recovered in the amalgam, officials intend to ship all concentrates for treatment to Sudbury so as to obtain full extraction of the metallic content of the ore.

The "Heart" of God's Lake

One of the biggest engineering jobs in Manitoba's mining history was the construction of the power site at Kanuchuan Rapids, in the bleak hinterlands of the province. The plant, built against enormous odds by God's Lake Gold Mines, will provide the life-giving energy to the developments in this area. One hundred and thirty miles from the railway, tractor and airplane joined forces to make this gargantuan task actually ready over a month ahead of schedule. The above airplane view shows the big plant, capable of generating 2,000 h.p., even 6,000 with a few additions, and the transmission line which bears the "juice" 45 miles through the bush to God's Lake Mine.

Sorting the Mines, 4.

An Impartial Analysis of Listed Stocks from A to Z

This is the fourth of a series of articles attempting to examine, at close range, the various stocks which are listed day by day on the mining sections of the various Canadian exchanges.

These little close-ups do not pretend to be exhaustive analyses of the companies dealt with. They are aimed, however, at giving Post subscribers a rapid fire inventory of the market today. Each stock will be dealt with in alphabetical order, at the rate of three or four a week, as space permits.

Atlin Pacific

Here is an object lesson for those investors who tend to be carried away by pretty surface showings. Prettiness in mining, if not in the human race, must be more than skin deep.

Atlin Pacific, incorporated in 1933 as Norgold Mines, acquired a brand new property in the Atlin mining division of B.C. Surface showings looked good, and further development, by every rule of mining, appeared fully justified.

So work was started on four tunnels. To cut a painful story short, three of these tunnels failed to show commercial ore bodies. The ore body in the fourth tunnel was not sufficiently strong to carry a mining operation.

Which goes to show why some mining men are grey around the temples.

The trouble at Atlin Pacific, a common enough grievance in certain of Canada's mining areas, was that the gold-bearing quartz occurred mainly in lenses, and not in well-defined veins. The few veins encountered were irregular and narrow.

Unfortunately, through no real fault of the directors, it cost shareholders slightly over $75,000 to determine this fact.

Had the company at the time been well supplied with funds, it might have sought out a new property, and tried its luck again. However, as at March 31, 1935, the company found itself with current assets only about $11,919, with current liabilities of $15,997.

There is then, little interest in this stock on the Vancouver market where it is listed, and at last report the company was inactive.

Bagamac Rouyn

In its nine years of corporate existence Bagamac stock has had some merry gambols up and down the price range of the Toronto Stock Exchange. On one occasion, at least, its capriciousness became so noticeable that the Toronto Stock Exchange officials stepped in and demanded an accounting from all members of the stock sold and bought on their account, over a certain period.

Its market ups and downs have been the most interesting thing about this proposition; far more interesting, unfortunately, than any news from the various properties which Bagamac has undertaken to develop.

Chief of these is the gold-copper property in the Rouyn area of Quebec, immediately adjoining Noranda Mines Ltd. Drilling on this property, extended over an exceptionally long period, and accompanied by many a cheery progress report, proved, in the final analysis to have been a dismal failure, and work was suspended in June of this year.

With an authorized capitalization of four million shares, Bagamac today is fairly well fixed as regards a treasury. As at December 31, 1934, when the last balance sheet was struck off for public consumption, the company reported cash of $37,705 and investments of $80,574. What the investments are is not officially known. Shareholders were told at the annual meeting, however, that a large portion of them were in bonds.

Since it is reported that all stock is now outstanding, this would give a cash equity per share of slightly over two cents, on its four million shares.

Now Bagamac, which is a promotion of R. C. Gamble, of Toronto, is reported to be looking for new properties. From official remarks, it is understood that drilling through the ice on Osisko Lake, on which the Rouyn property is situated, will be continued this winter.

In the meantime, the stock appears to have lost some of its resiliency, and is hovering around the four cent mark.

Price Range of Stock

	High	Low	Last
1934			
Common	$0.60 Apr.	$0.04 Jan.	$0.11½ Dec. 31
1935	Feb.	July	Sept. 23
Common	$0.13	$0.03¾	$0.04⅛

Barry Hollinger

At time of writing, it would appear that Barry-Hollinger Gold Mines, after being on the losing end of a hand to mouth fight for a number of years, is nearing the end of its operations in the Boston Creek area, south of Kirkland Lake, Ontario.

Grade and tonnage at this sixteen-year-old property appears to be on the decline, although it is understood there are many months of production, at its present rate of about 95 tons per day, ahead of mill.

To date, Barry-Hollinger, which was never a dividend payer, and never a big scale producer and which suffered sorely from "promoters" in its early days has turned out well over $1.5 million in gold.

While the company has made an effort to refurbish its position by acquisition of new properties, the treasury is in a poor shape, and the company, under its present set-up, is in no position to finance any extensive development. As at Dec. 31, 1934, the balance sheet showed current assets of only $12,621, as against current liabilities of $28,830.

For some years the company has shown an operating loss, even before making any allowance for depreciation or depletion.

Barry-Hollinger of recent years, at least, has represented a sincere and honest effort to make a mine, out of material sorely lacking in what it takes. For some time directors, in fact all officials, other than the actual working staff, have worked without salary of any kind, The Financial Post is reliably informed.

Price Range of Stock

	High	Low	Last
1934			
Common	$0.22 Apr.	$0.05 Dec.	$0.06⅝ Dec. 31
1935	Jan.	May	Sept. 23
Common	$0.08	$0.02½	$0.05⅝

PARKHILL RECOVERY VALUED AT $287,126

Values Averaging 0.5 oz. Disclosed on the Ninth Level

Recovery of Parkhill Gold Mines for the eleven months ended August 31 from 18,205 tons of ore milled amounted to $287,126, or an average recovery of $15.77 per ton. The average daily milling rate was 54 tons.

Recovery in August was higher than in the previous month although mill tonnage was lower. Gross recovery for the month was $35,200 from 1,626 tons milled as compared with $29,500 in July from 1,728 tons milled.

Favorable results are being obtained from development work, the company reports. The east drive on the ninth level has disclosed values averaging 0.5 ounces and better over a length of 150 ft. and a width of three ft. On the tenth level, values averaging 0.5 ounces have been obtained over lengths totalling 250 ft.

Shaft sinking has been completed to the 11th level where preliminary station cutting is under way. Sinking is to be continued to the 12th level.

The Provincial Exhibition at Halifax, September 30 to October 5, will likely be the best, and certainly the most varied in its attractions, ever held, according to the promoters.

Ontario's Gold Output Shows Rising Tendency

Production in First Eight Months up 10.6 Per Cent—August Output Half a Million Dollars Higher Than in Same Month of 1934

Ontario's gold output has taken a definite turn upward. The rising tendency which was in evidence during June and July has continued during August, production in the latter month being $223,000 higher than in July and $568,000 higher than in August, 1934.

Due to the policy of the larger producers of milling lower grade ore Ontario's gold production declined slightly in quantity during 1933 and 1934 despite the fact that a number of new mines were brought into production. This situation continued during the first five months of the current year. It appears, however, that the decline has been stopped. Bullion recovery of new producers and mines with increased milling capacity is now more than sufficient to offset the reduction in output of the larger producers.

Production during the first eight months of the year at $48 millions was 3.28 per cent higher than in the same period of last year. August output was 9.37 per cent higher than in the same month of 1934. Tonnage of ore treated was also substantially higher, increasing 11 per cent in August and 10.6 per cent in the eight-month period.

All four areas—Porcupine, Kirkland Lake, Matachewan and Northwestern Ontario—showed a gain in July over the previous month. The largest gain was made by the Porcupine camp with Northwestern Ontario a close second. In the eight-month period the most marked improvement is shown by Northwestern Ontario, output being more than double what it was in the same period of 1934.

Comparative figures for the first eight months of 1934 and 1935 are given below:

Monthly Output of Ontario Gold Mines

Source	1935 Tons milled	1935 Value $	1934 Tons milled	1934 Value $
Porcupine Camp:				
January	320,676	2,461,881	302,580	2,513,247
February	285,057	2,448,898	275,105	2,692,955
March	316,822	2,619,756	299,220	2,726,532
April	307,257	2,547,885	293,668	2,648,257
May	312,618	2,895,836	302,875	3,000,977
June	319,525	2,868,292	301,020	2,545,566
July	325,891	2,854,024	314,145	2,720,509
August	334,481	2,945,739	329,218	2,871,027
Total	2,522,327	21,642,311	2,417,831	21,719,070
Kirkland Lake Camp:				
January	163,944	2,657,047	164,265	2,745,678
February	149,449	2,475,278	148,520	2,621,542
March	164,836	2,711,420	166,894	2,977,019
April	159,180	2,540,040	162,727	2,765,438
May	168,292	2,776,460	168,729	3,179,552
June	167,084	2,954,505	163,217	2,912,061
July	172,025	2,847,528	166,573	2,814,688
August	174,634	2,886,670	169,328	2,873,575
Total	1,319,444	21,848,948	1,310,253	22,889,573
Matachewan:				
January	20,964	97,016	3,688	36,043
February	21,877	93,750	3,274	34,242
March	23,752	105,058	3,648	39,344
April	24,929	111,568	3,601	36,478
May	26,164	126,948	3,650	37,466
June	25,761	113,060	3,582	38,928
July	27,232	115,524	3,785	39,094
August	29,960	138,335	3,772	44,440
Total	200,639	901,259	29,000	306,035
Northwestern Ontario:				
January	65,592	362,451	47,646	233,080
February	57,056	318,443	36,720	199,889
March	62,406	365,755	48,826	218,430
April	67,556	398,620	46,682	216,668
May	71,203	500,948	46,766	236,619
June	77,959	707,273	48,912	211,298
July	57,611	585,981	50,038	251,139
August	84,196	656,498	58,624	269,908
Total	540,579	3,895,969	384,214	1,837,031
Total for Ontario:				
January	568,176	5,578,395	518,179	5,528,048
February	513,439	5,336,369	463,619	5,548,628
March	567,816	5,801,989	518,588	5,961,325
April	558,922	5,598,113	506,678	5,666,841
May	578,277	6,300,192	522,020	6,454,614
June	590,329	6,643,130	516,731	5,707,873
July	582,759	6,403,057	534,541	5,825,430
August	623,271	6,627,242	560,942	6,058,950
Grand total	4,582,989	48,288,487	4,141,298	46,751,709

Note:—Values in Canadian funds.

THOMPSON-CADILLAC CUTS GOOD ORESHOOT

Connection to No. 2 Shaft Should Speed Up Development

Development work at the Thompson Cadillac Mining Corp. during August encountered several oreshoots and small veins, according to a report made by Andrew Walz, consulting engineer, to the company.

The most interesting development during the month was the disclosure of a good grade of commercial ore in a drive easterly on the 300-ft. level in the working known as the 302 East. The latest advice from the mine gave values of 0.41 ounces over a width of 4.9 ft. in the face, with greater width indicated in both the north and south walls. The sample adjacent to the north wall ran 1.76 ounces for a width of 0.7 ft. The working has advanced 20.5 ft.

Another new oreshoot was disclosed in the west drive on the 150-ft. level. Sampling on both walls yielded an average assay of 0.66 ounces over a width of 18 ft. The values in the drive only continued westward for a short distance, and in order to advance the face of the drift as rapidly as possible to make connection with the old No. 2 shaft, the crosscut has not been developed further. The connection to the old shaft is under way, and it is expected that the working will hole through in the near future. Much work has to be done north of the main drive on the 150 west drift, and it is planned at an opportune time to drive short crosscuts at fixed intervals northerly to explore points that attracted interest during the advance of the main drive.

Several small veins with low values were encountered in the crosscut south from the 300-ft. level, but this working has still some distance to go to reach its objective. The advance in the crosscut on the 300-ft. level south has been slow due to poor ventilation, but it is anticipated that progress will be more rapid when the connection to the old No. 2 shaft has been completed.

Mining Concerns Newly Formed

Elora Gold Mines—Ont. Incorp., Aug. 20; H.O., Toronto; Author. capit., $3,000,000, par $1.

Ingram Radium Ltd.—Ont. Incorp., Aug. 26; H.O., Toronto; Author. capit., 40,000 shs., n.p.v.

Joannes Gold Mines—Ont. Incorp., Aug. 29; H.O., New Liskeard, Ont.; Author capital, $3,000,000, par $1

Massey Oil and Gas Co Ltd.—Ont. Incorp., Aug. 30; H.O., Windsor, Ont.; Author. capit., 40,000 shs., n.p.v.

O'Neil Thompson Gold Mines—Ont. Incorp., Aug. 30; H.O., Ottawa, Ont.; Author. capit., 3,000,000 shs., n.p.v.

Porquin Gold Mines—Ont. Incorp., Aug. 27; H.O., Toronto; Author. capit., $3,000,000, par $1.

Sagamore Mines — Ont. Incorp., Aug. 29; H.O., Toronto; Author. capit., $3,000,000, par $1.

Ross Exploration Co. Ltd.—Dom. Incorp., Aug. 19; H.O., Montreal; Author. capit., 900 pref. shs., $50 par and 1,100 common shs., n.p.v.

Wentworth Co. Ltd.—Que. Incorp., Aug. 9; H.O., Montreal; Author. capit., $49,500, par $5.

Ore Shipments to Trail Amount to 10,006 Tons

Shipments of ore and concentrates received at the Trail smelter of the Consolidated Mining & Smelting Co. of Canada during the week ended Sept. 14 totalled 10,006 tons. Concentrate shipments amounted to 466 tons and ore from other than company mines 256 tons. Shipments from mines owned by Consolidated Mining itself totalled 9,284 tons.

The following is a detailed statement of shipments received:

Name of Mine:	Tons
Black Colt	53
Black Grouse	11
Lucky Thought	33
Number Seven	48
Venus-Juno	10
Yankee Boy	101
Dentonia (concentrates)	60
Kootenay Belle (concentrates)	2
Mammoth (concentrates)	113
Meridian (concentrates)	41
O'Brien (concentrates)	42
Yankee Girl (concentrates)	95
Ymir (concentrates)	113
Total	722
Company's mines	9,284
Grand total	10,006

PICKLE CROW GOLD OPERATIONS YIELD EXCELLENT PROFIT

Three New Levels to be Opened Up Early in October

Operations at Pickle Crow Gold Mines, one of the promising new producers in Northwestern Ontario, are on a satisfactory basis, an interim report covering the period from July 1 to August 31 reveals. Development work has continued favorable, milling operations have yielded an average recovery of $23.74 and operating costs in July averaged $7.87 per ton of ore milled. This figure includes development, shaft sinking, surface work and the cost of a new road to Pickle Lake.

Since commencement of milling operations late in April to the end of August bullion shipments to the Mint amounted to $413,774. Mill tonnage for the period totalled 17,425 tons.

During the first three months of milling operations a great deal of trouble was encountered, due to the Hydro power supply. This, according to B. H. Budgeon, director of mining, caused very uneven operation of the pumps and ball mill, etc., which resulted in bad metallurgical conditions. In August this condition was improved, but the vacuum pump broke down, resulting in large solution losses and a corresponding drop in recoveries. The vacuum pump has been repaired and the management believes that 96 to 97 per cent recovery will be obtained in the future.

Raise Cut To Surface

On the 125-ft. level a 200-ft. length of new ore has been developed since June 30. At the east end of this level a raise put through to surface has been in ore all the way. No new drifting has been done on the 250- or 375-ft. levels. Both of these levels had ore exposed on one face when drifting was suspended last January.

A new vein has been discovered on surface about 700 ft. east of the shaft and 60 ft. north of the main vein. The new vein was stripped for 67 ft. and assayed $23.80 over 21 inches. A drill hole beneath this outcrop cut, from 127 to 135 ft. on a 45 degree slope, good-looking quartz with visible gold, assaying $3.85. From 145 to 147 ft., two more ft. of quartz was cut which assayed $1.05 From 177 to 180 ft. the main vein was cut which assayed $23.45 over three ft. Underground from the east end of the 125-ft. level a drill hole was put out northeasterly to cut the new vein. The vein was cut and a width of four ft. assayed $56.40. It is planned to crosscut to this new vein from the east end of the 125-ft. level as soon as possible.

Shaft sinking has continued and has now reached a depth of 750 ft. Stations have been cut at 500 and 625 ft., with the 750-ft. station now being cut. This station is to be made quite large in order that a hoist can be set up on this level for future sinking operations. The shaft is to be continued to a depth of 800 ft. Crosscutting to the main vein will be commenced on these three new levels within the next three weeks.

Broken ore reserves at the end of August amounted to 4,483 tons.

Gold Output in Canada

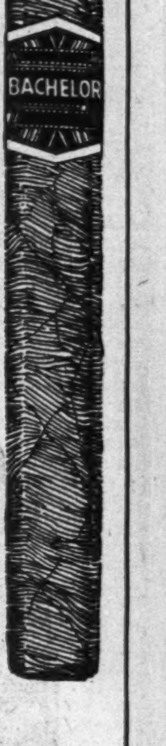
The Dominion Bureau of Statistics reports that Canadian gold production in July amounted to 285,372 ounces as compared with 285,772 ounces in June and 246,145 ounces in July, 1934. During the seven months ended July 31, 1,803,549 ounces were produced. This represents an increase of 7.1 per cent over the first seven months of 1934.

Porcupine Crown Hopes For Mill by December

Porcupine Crown Mines, operating the Gomak Mine property in Chester Township, Ontario, reports that a complete mining plant was installed last April and that development work, from the shaft sunk on the No. 1 vein has consisted of following down on the vein to a depth of 85 ft. where the first level was established.

Two veins appeared in the shaft at a depth of 15 ft. These were parallel to the original vein and gave an ore body of practically the full 8-ft. width on the incline shaft. At 40 to 50 ft. the grade of ore fell off slightly but from the 50-ft. to 85-ft. levels the ore was high grade, the company reports. The present indicated ore body has a length of 200 ft. on surface with an average assay value of $25 gold per ton, with an indication of 7,000 tons of ore.

It is announced that preparations are being made for the installation of a 25-ton mill. All necessary machinery and equipment has been purchased and will be shipped to the property as soon as the road from Gogama to the camp has been completed. It is hoped to have the mill in regular production by the end of December.



AUTUMN *is the best time*

I went back to the summer cottage last week-end. And I found myself in a changed world. The sky was grey and the waves lapped the shore with a desolate sound. The thievish little chipmunk that used to plunder the kitchen had taken himself off. Our city shoes crunched the uneven ground with unfamiliar tread. But, looking up, you saw that the stage was set with a panoply of browns and yellows and ochres, a magnificent hanging tapestry.

Soon there was the friendly smell of woodsmoke, curling from the chimney, and, at night, after a hike through crisp air, the luxury of a log fire. Easy clothes, firelight, and wind blowing outside, the pure Havana fragrance of a Bachelor — and you envy no man's castle!

It's strange, the companionship of a good cigar. Wherever you go, at all times, it makes good times better. But I think, perhaps, autumn is the best time of all.

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